


 Click on the logo to visit the website	Session 2022-23 Sample	Q-18*	 Click on logo to visit our Channel
--	---------------------------	-------	--

JOURNAL

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
	Ajay's Capital A/c Dr.		52,000	
	To Manish's Capital A/c			4,000
	To Sachin's Capital A/c			48,000
	(Adjustment entry passed)			

Workings Notes:

Particulars	Ajay		Manish		Sachin		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Profits taken back	1,00,000		60,000		40,000			2,00,000
Interest on Capital to be credited		48,000		64,000		88,000	2,00,000	
	1,00,000	48,000	60,000	64,000	40,000	88,000	2,00,000	2,00,000
	52,000 (Dr.)		4,000 (Cr.)		48,000 (Cr.)		-	

Interest on Capital

Ajay	Manish	Sachin	Total
$6,00,000 \times 10\% = 60,000$	$8,00,000 \times 10\% = 80,000$	$11,00,000 \times 10\% = 1,10,000$	2,50,000
As appropriations are more than Profit, Profit will be distributed in the ratio of appropriations i.e. 6:8:11			
$2,00,000 \times 6/25 = 48,000$	$2,00,000 \times 8/25 = 64,000$	$2,00,000 \times 11/25 = 88,000$	2,00,000