

28.5.20

Financial Account  
B. Com Part I

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Question

A, B and C were three partners in a business sharing profit and losses in the ratio of 2:2:1. The following was their Balance sheet as on 31 Dec 2019

Liabilities		Amount	Assets		Amount
Creditors		30 000	Banks		20 000
Capitals A/c			Current Assets		30 000
A	40 000		Fixed Assets		70 000
B	30 000				
C	20 000				
		90 000			
		<u>120 000</u>			<u>120 000</u>

It was decided to dissolve the firm w.e.f 31 Dec 2019 and "C" was appointed in charge of realisation. He was to receive 5% Commission on the amount realised from Fixed and current assets. He was also to bear all expenses of realisation. The fixed assets realised Rs 80 000 and the current assets Rs 20 000. The Realisation expenses Rs. 2000 are required to prepare necessary accounts.

Ans. Realisation Account

Particulars	Amount	Particulars	Amount
To Fixed Assets	70 000	By Credits of	36 000
" Current Assets	30 000	" Bank - (Assets realised)	1 00 000
" Bank (Creditors)	30 000	" Realisation Losses	
" C Capital A/c (Commission)	5 000	A	2 000
		B	2 000
		C	1 000
	1 35 000		1 35 000

	A	B	C		A	B	C
To Realisation	2000	2000	1000	By Balance b/d	40000	30000	20000
" Bank			2000	By Realisation A/c			5000
" Bank	38000	28000	22000		40000	30000	25000
	↑	↑	↑				
	40000	30000	25000				

Bank A/c

To Balance b/d	20 000	By Realisation (Cr)	30 000
" Realisation A/c (Assets sold)	1 00 000	" C Capital (Exp)	2 000
		" A Capital	38 000
		B	28 000
		C	22 000
	1 20 000		1 20 000