

B. Com T.D.C. Part I

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(7) Ram and Shyam are equal partners in a firm. They decided to dissolve the firm on 31 March 2016 when statement of affairs was as follows:-

Balance sheet
as at 31 March 2016

| Capital & Liabilities | Amount | Assets | Amount |
|-----------------------|--------------|--------------|--------------|
| creditors - | 5000 | Cash at Bank | 4500 |
| Reserve - | 6000 | Debtors - | 7500 |
| Shyam loan | 4000 | Machinery - | 14500 |
| Capitals - | | Stocks - | 2500 |
| Ram - | 25000 | Building - | 16000 |
| Shyam - | 25000 | Furniture - | 20000 |
| | | | <u>65000</u> |
| | <u>65000</u> | | |

The Building was sold for Rs 25000, Furniture Rs. 12000 and Stock 12000. The book debts realised Rs 10400. The creditors were paid 4800 in full settlement. Expenses of Realisation amounted Rs 500. Prepare Realisation Account Partners Capital A/c and Cash Account.

Ans.

Realisation A/c

| Particulars | Dr Amount | Particulars | Cr Amount |
|----------------|--------------|-----------------------|--------------|
| | | By Creditors - | 5000 |
| To Debtors | 7500 | | |
| " Machine | 14500 | " Bank. (Assets sold) | |
| Store - | 2500 | Building | 25000 |
| Building | 16000 | Furniture | 12000 |
| Furniture | 20000 | Store - | 12000 |
| | | Debtors | 6000 |
| To Bank (Cr) | 4800 | Machine | 10400 |
| " Bank (Exp) | 500 | | 65400 |
| To Ram Lakshmi | 2300 | | |
| " Shyam | 2300 | | |
| | <u>70400</u> | | <u>70400</u> |

Capital A/c

| Particulars | Ram | Shyam | Particulars | Ram | Shyam |
|-------------|--------------|--------------|----------------|--------------|--------------|
| To Bank | 30300 | 30300 | By Balance B/d | 25000 | 25000 |
| | | | " Realisation | 2300 | 2300 |
| | | | " Reser. | 3000 | 3000 |
| | <u>30300</u> | <u>30300</u> | | <u>30300</u> | <u>30300</u> |

Cash A/c

| | | | |
|----------------|--------------|---------------------|--------------|
| To Balance B/d | 4500 | By Realisation (Cr) | 4800 |
| " Realisation | 65400 | " Realisation Exp | 500 |
| | | " Bank Bal. | 4000 |
| | | " Ram | 30300 |
| | | " Shyam | 30300 |
| | <u>69900</u> | | <u>69900</u> |