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Question
What journal entries would be passed for the following transactions on the dissolution of a firm of P and Q:-

- (i) Sundry Assets realised Rs. 50000
- (ii) Unrecorded Assets realised - 3500
- (iii) Unrecorded liabilities of Rs 20000 was discharged by P.
- (iv) Computer worth 40000 was taken over by Q.
- (v) Profit on realisation ₹ 8000 was distributed between P and Q in the ratio of 3:1
- (vi) Dissolution expenses amounted to 500

Ans.

Journal entries

Date	Particulars	L.F.	Dr Amount	Cr Amount
(i)	Bank A/c to Realisation A/c (Buy the Sundry Assets realised)		50000	50000
(ii)	Bank A/c to Realisation A/c (Buy unrecorded Assets realised)		3500	3500

111	Realisation to P Capital ac. (Being unrecorded Assets liabilities discharged by P)	20000	20000
114	Q's Capital ac. dr to Realisation ac. (Being Computer taken over by Q)	40000	40000
111	Realisation ac. dr to P Capital " Q Capital (Being profit on Realisation distributed between P & Q in the ratio of 3:1)	8000	6000 2000
111	Realisation ac. dr to Bank (Being dissolution expenses paid)	500	500
Total.		122000	122000