

14.7.20

Financial Accounts

B. Com part I

By

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Question:

What journal entries would you pass for the following transaction on the dissolution of a firm of partners A & B.

(i) Dissolution expenses Rs 500

(ii) Unrecorded assets realised 2500

(iii) Stock worth 2000 already transferred to Realisation account was taken over by a partner 'A'

(iv) Creditors already transferred to Realisation account were paid Rs 3000.

(v) Profit on realisation Rs 4000 is to be distributed between partners A & B in the ratio of 3:1.

Date	Particulars	Dr	
		Amount	From
(1)	Realisation A/c Dr to Bank A/c (Being Realisation expenses paid)	500	500
(11)	Bank A/c Dr to Realisation A/c (Being unrecorded assets realised)	2500	2500
(11)	A Capital A/c Dr to Realisation A/c (Being share taken over by A)	2000	2000
(14)	Realisation A/c Dr to Bank (Being payment made to creditors.)	3000	3000
(15)	Realisation A/c Dr to A Capital " B (Being profit on Realisation transfered to Partners A & B in the ratio of 3:1.)	4000	3000 1000
	Total	12000	12000