

18.7.20

Financial Accounts.

B. Com Part I

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Question.

Give the necessary Journal Entries to record the following unrecorded Assets in the book of M and N:

- (a) A Partner Mr M agreed to take over the firm's goodwill (not recorded in the books of firm) at a valuation of Rs. 50,000
- (b) T, an old customer whose account for Rs. 2,000 was written off as Bad in the previous year, paid 50%
- (c) A Joint Life Policy having a Surrender value of 15,000 remain unrecorded.
- (d) There was an old Computer which had been written off completely in the books of Accounts. It was estimated to realise Rs. 5,000. It was taken over by N, a partner at the estimated price less 40%.
- (e) M, a partner, under took to pay Mrs M loan of 20,000.

Solution.

Journal Entries

Date	Particulars	L.F.	Dr Amount	Cr Amount
(a)	Mrs M Capital A/c Dr To Realisation A/c (Being unrecorded provision taken by M)		50000	50000
(b)	Cash A/c Dr To Realisation (Being 5% Bad debts recovered)		1000	1000
(c)	Cash A/c Dr To Realisation (Being surrender value of Joint life policy realised)		15000	15000
(d)	M Capital A/c Dr To Realisation (Being Computer taken by M)		3000	3000
(e)	Realisation A/c Dr To M's Capital A/c (Being Mrs's M loan taken by M)		20000	20000
	<u>Total.</u>		<u>89000</u>	<u>89000</u>