Dr.Uttam Kumar SRAP College, Barachakia 8210561032 **Subject:-Financial Accounting** Topic **Dissolution of Partnership-1**



"Nothing is more important than Education"

jugrnal Entrick:	Journal Entries:	Journal Entries:
1. For Asset Transfer	1. For Asset Tradisfer:	1. Por Asset Transferr
Realisation 6/c D?.	Resilisation A/c Dr.	Realisation A/c Dr.
To Asset A/c	To Asset A/c	To Asset A/c
2. For Liabilities Transfer	2. For Liabilities Transfer	2. For Liabilities Transfer
Habilitins. Mo Or.	Lizbilities, A/c Dr.	Ltabilities. A/c On
'To Reclised on A/c	To Realisation A/c	To Realiseenn A/c
3. For fictitious assets:	3, For finitious assets:	3. Par ficitious assots:
Partner's Capital A/c Dr.	Pertner's Capital A/c. Dr.	Partner's Capital A/c. Dr.
To Profit and Loss A/c	To Profit and Loss Arc	To Profil and Loss A/c
To Deferred Revenue Expenditure A/c	To Deferred Revenue Expenditure A/r	To Deferred Revenue Expenditure A/c
(Being fictitious assets transferred to partner's capital account in profit sharing ratio)	(Soing ficitious assots transferred to partner's capital account in profit sharing ratio)	(Being fictitious assets transferred to partner's capital account in profit sharing ratio)

Necessary journal entries required to be passed after the above ENTRIES:-

1. When assets are sold in cash:

Cash A/c Dr.

To Realisation A/c

2. When assets are taken over by partners:

Partner's Capital A/c Dr.

To Realisation A/c

3. When Assets are taken over by Creditors/Liabilities:

Full Settlement - No Entry

Part Settlement -

a) Cash A/c Dr.

To Realisation A/c (Receipts)

(Being the asset not taken over by the creditors realised)

b) Realisation A/c Dr.

To Cash A/c (Payments)

(Being the creditors {liabilities} balance paid off after taking iver the assets)

4. When Liabilities are paid off:

Realisation A/c Dr.

To Cash A/c

5. Liabilities paid by partners:

Realisation A/c Dr.

Partner's capital A/c