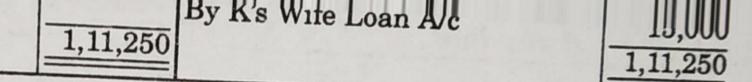
Dr.Uttam Kumar SRAP College,Barachakia Mob no-8210561032

Subject:-Financial Accounting



CHAPTER DISSOLUTIONof Partnership Firm



When Capital is Fixed

Problem 7

The following Balance Sheet shows the position of ABC on 31st March, 2017:

Liabilities	Amount	Assets	Amount
Creditors Reserve Capital A/cs : A B	25,000 15,000	Stock Machinery Debtors	₹ 6,000 20,000 20,000 10,000 10,000 9,000 9,000 75,000

It was decided to dissolve the firm. C became insolvent and ₹ 2,000 only were received from his estate. The assets realised as under :

From Bills Receivable ₹ 7,000; from Stock and Debtors 25% less than the book value; from Machinery ₹ 14,000. Realisation expenses amounted to ₹ 2,500. Assuming Capital Accounts as fixed, prepare Realisation Account, Capital Accounts and Cash Account according to Garner Vs. Murray decision.

		R	ealisatio	Particul	lars		
Solution			Amount	Turre			Amour
Particular To Stock To Machinery To Debtors To B/R To Cash A/c : Creditors Expenses	₹ 20		₹ 20,000 20,000 10,000 10,000	By Creditors By Cash A/c : B/R Stock Debtors Machinery By Capital A/cs (L transferred : A B C	1	₹ 7,000 15,000 7,500 14,000 6,333 6,333 6,334	43,50 19 or
			82,500				1000 miles
Capita			Accounts	A	B	T	
Particulars	A	В	С	Particulars	Ŧ	Ŧ	+0
To Balance b/d To Realisation A/c	7 -	₹ 6,33		By Balance b/d By Reserve A/c By Cash A/c	25,000 5,000 6,333	15,00 5,00 6,33	0 50
(Loss) To C's Capital A/c To Cash A/c	6,333 5,209 24,791	3,12 16,87	25 —	By A's Capital A/c (C's deficiency 5/8) By B's Capital A/c (C's deficiency 3/8)	_	-	- 5,2
	36,333	26,33	33 15,334		36,333	26,333	3,1
		+	Cash A	ccount			
Particulars		Amount	Particulars			Amoun	
To Balance b/d				By Realisation A/c	:	₹	Ŧ
To Realisation A/c To A's Capital A/c To B's Capital A/c To C's Capital A/c						0,000 2,500	22,5 24,7 16,8
			64,166	-		-	64,1

Loss on Realisation has been distributed equally. 1

C's Deficiency of ₹ 8,334 has been shared by A and B in the ratio 5 : 3. 2

Calculation has been made nearest rupee. 3