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



"Nothing is more important than Education"

jaurnal Entrics:	journal Entriest	Journal Entries:
1. For Asset Transfers	1. For Asset Tradisfer:	1. Por Asset Transfert
Realisation A/c Dr.	Realisation 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. Fo <mark>r Liabilities Transfer</mark>
Habilittes. A/c Or.	Lizbilitíes, A/c. Dr.	Ltabilities. A/c Dr.
To Reelisation A/c	To Realisation A/c	To Realiseton A/c
B. For fictitious assets:	3, For ficitious assets:	3. Par fictitious assour:
Partner's Capital A/c Dr.	Partneris Capital A/c. Dr.	Partner's Capital A/c. Or.
To Profit and Loss A/c	To Profit and Loss A/c	To Profit and Loss A/c
To Deferred Revenue Expenditure A/c	To Deferred Revenue Expenditure A/c	To Deferred Revenue Expenditure A/c
(Being fictulous assets transferred to partner's capital account in profit sharing ratio)	(Roing fictitious 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