

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

Subject:- Financial Accounting



CHAPTER
DISSOLUTION
of
Partnership Firm

Problem 2

A and B dissolved the firm. The Balance Sheet was as follows :

Balance Sheet

	₹		₹
Capital :		Fixed Assets	1,500
A	1,000	Current Assets	
B	700	(Including Cash ₹ 400)	800
B/P	300	P & L A/c	200
Creditors	500		
	<u>2,500</u>		<u>2,500</u>

The amount realised (total) ₹ 2,900.

Expenses : ₹ 150.

Open Realisation A/c, Capital A/c and Cash A/c.

Solution

Realisation Account

Particulars	Amount	Particulars	Amount
	₹		₹
To Fixed Assets	1,500	By B/P	300
To Current Assets	400	By Creditors	500
To Cash A/c :		By Cash (Assets realised)	2,900
B/P	300		
Creditors	500		
Expenses	<u>150</u>		
To Profit transferred to :	950		
A's Capital A/c	425		
B's Capital A/c	<u>425</u>		
	850		
	<u>3,700</u>		<u>3,700</u>

Capital Accounts

Particulars	A	B	Particulars	A	B
	₹	₹		₹	₹
To P/L A/c (loss)	100	100	By Balance b/d	1,000	700
To Cash A/c Final paying	1,325	1,025	By Realisation A/c (Profit)	425	425
	<u>1,425</u>	<u>1,125</u>		<u>1,425</u>	<u>1,125</u>

Cash Account

Particulars	Amount	Particulars	Amount
	₹		₹
To Balance b/d	400	By Realisation A/c	950
To Realisation A/c (Assets realised)	2,900	By A's Capital A/c	1,325
	<u>3,300</u>	By B's Capital A/c	1,025
			<u>3,300</u>