1

Lalit and Mohan were partners sharing profits in the ratio of 5 : 3. Naman was admitted as partner on 1st April, 2020 for 1/4th share in profits on the following terms:

Naman was to bring ₹ 2,50,000 as his capital and Premium for Goodwill valued at 4 year's purchase of average super profit of the last 3 years. Average profit of last three years is ₹ 2,00,000 against normal profit of ₹ 1,20,000. The accountant informed that Closing Stock for the year ended 31st March, 2019 was overvalued by ₹ 10,000. Naman brings ₹ 80,000 as Premium for Goodwill.

An unrecorded liability of ₹ 13,000 towards repairs of machinery was paid by Lalit. Lalit took a Laptop Computer with book value of ₹ 20,000 for ₹ 25,000. These transactions had taken place before Naman's admission.

The accountant is not sure whether Naman has brought correct amount as Premium for Goodwill. He is not able to also pass the Journal entries for above. He seeks your help for the needful to be done.

Answer

(a) *Calculation of Premium for Goodwill to be brought by Naman:*

Super Profit = Average Profit – Normal Profit

= ₹ 2,00,000 – ₹ 1,20,000 = ₹ 80,000

Value of Goodwill = ₹ 3,20,000 (₹ 80,000 x 4)

Naman's Share of Goodwill = ₹ 80,000 (₹ 3,20,000/4).

Thus, Naman has brought correct amount as Premium for Goodwill, which will be credited to Lalit's Capital Account and Mohan's Capital Account in their sacrificing ratio, *i.e.*, 5 : 3. The Journal entry will be:

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Premium for Goodwill A/c ...Dr.		80,000	
	To Lalit's Capital A/c			50,000
	To Mohan's Capital A/c			30,000
	(Premium for Goodwill credited to sacrificing partners in their sacrificing ratio)			

Note: Overvaluation of Closing Stock by ₹ 10,000 in the second year will not have effect on average profit because Closing Stock of second year will become Opening Stock of third year. Thus, if profit for second year is overstated by ₹ 10,000, profit of third year is understated by the same amount. Hence, its effect is nil.

(b) **Lalit has paid an unrecorded liability of ₹ 13,000 for which following entry will be passed:**

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Revaluation A/c ...Dr.		13,000	
	To Lalit's Capital A/c			13,000
	(Unrecorded Liability for repairs paid by Lalit)			

Lalit has taken a computer of Book Value ₹ 20,000 for ₹ 25,000 for which Journal entry will be passed as follows:

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Lalit's Capital A/c ...Dr.		25,000	
	To Computers A/c			20,000
	To Revaluation A/c			5,000
	(Computer taken by Lalit for ₹ 25,000)			

Distribution of Revaluation Loss

The Journal entry will be:

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Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
	Lalit's Capital A/c	...Dr.		5,000	
	Mohan's Capital A/c	...Dr.		3,000	
	To Revaluation A/c				8,000
	(Revaluation Loss distributed)				

Since loss of ₹ 8,000 (₹ 13,000 (Unrecorded Liability) – ₹ 5,000 (Gain on Computer taken by Lalit) related to the period before Naman was admitted as partner, it will be borne by Lalit and Mohan in the Old Profit-sharing Ratio, *i.e.*, 5 : 3. Lalit will bear ₹ 5,000 and Mohan will bear ₹ 3,000.

2

Ram, Shyam and Gian were partners in a firm for the past 10 years sharing profit equally. Their capitals before adjustment were ₹ 30,00,000, ₹ 20,00,000 and ₹ 10,00,000 respectively. Gian died on 15th October, 2019. Gian had left a will bequeathing his capital and other dues to his son Amar. Amar also desired that he be made partner in the firm. Following further information is given for your consideration:

1. At the time of settling the account of deceased partner (Gian) assets were revalued and liabilities were reassessed. The net result was loss of ₹ 60,000.
2. It was agreed in the Partnership Deed that in the event of death, share of profit for the deceased partner will be calculated on the basis of last year's net profit ratio as applied to sale up to the date of death. Sale up to 15th October was ₹ 15,00,000 and Net Profit rate of last year was 8%.
3. Gian had given a loan of ₹ 1,20,000 to the firm on 1st January, 2019, which was outstanding as on the date of death.
4. Goodwill of the firm was to be valued at 5 years' purchase of average profit of last three years. Profits of last three years were ₹ 80,000, ₹ 1,20,000 and ₹ 1,60,000 respectively.
5. Capital accounts of the partners be readjusted on the basis of their profit-sharing ratio.
6. Any surplus or deficit be adjusted by opening current account.

Ram and Shyam have raised following questions for your reply:

(a) What will be Gian's Share of profit?

(b) How much amount will be payable to Gian as Goodwill?

(c) What will be the amount due to Gian?

(d) Capital of the firm is determined at ₹ 50,00,000, what amount will be transferred to current account of partners?

(e) If they decide to admit Amar as partner, how can he be admitted because the Partnership Deed does not have a clause on admission of a partner? And, if Amar is admitted for one – half the share of Gian, what will be the new profit-sharing ratio.

Answer

(a) **Gian's Share of Profit**

Sale up to the date of death is ₹ 15,00,000 and rate of Net Profit is 8%. Thus, net profit is ₹ 1,20,000. Share of Gian is ₹ 40,000 (₹ 1,20,000 x $\frac{1}{3}$).

(b) **Gian's Share in Goodwill**

$$\text{Average Profit of last three years} = \frac{₹\,80{,}000 + ₹\,1{,}20{,}000 + ₹\,1{,}60{,}000}{3} = ₹\,1{,}20{,}000$$

Value of Goodwill = ₹ 6,00,000 (₹ 1,20,000 x 5)

Gian's Share = ₹ 2,00,000

(c) **Amount due to Gian**

Amount due to Gian is ₹ 13,43,900 determined as follows:

Dr. GIAN'S CAPITAL ACCOUNT *Cr.*

Particulars	₹	Particulars	₹
To Revaluation A/c	20,000	By Balance *b/d*	10,00,000
To Gian's Executor's A/c	13,43,900	By Profit & Loss Suspense A/c	40,000
		By Loan A/c	1,20,000
		By Interest on Loan A/c	3,900
		By Ram's Capital A/c	1,00,000
		By Shyam's Capital A/c	1,00,000
	13,63,900		13,63,900

(d) **Amount transferred to Current Accounts of Partners**

Particulars	Ram (₹)	Shyam (₹)
A. Balance as on 1st April, 2019	30,00,000	20,00,000
B. *Less:* Share of Revaluation Loss	20,000	20,000
Share of Goodwill	1,00,000	1,00,000
Share of Profit & Loss Suspense A/c	20,000	20,000
	1,40,000	1,40,000
C. Balance after adjustments	28,60,000	18,60,000
D. Capital Balance required	25,00,000	25,00,000
E. Balance transferred to Current Account	3,60,000 (Cr.)	6,40,000 (Dr.)

(e) The Partnership Deed does not have a clause on admission of a partner. As a result, a partner can be admitted with the consent of all the partners. Thus, if both Ram and Shyam agree to admit Amar, he can be admitted as a partner.

If Amar is admitted for one-half the share that of Gian, new profit-sharing ratio will be 5 : 5 : 2, calculated as follows:

Share of Amar $\frac{1}{2}$ of Gian's share of 1 and balance $\frac{1}{2}$ share will be taken by Ram and Shyam equally.

Balance of Gian's Share after Amar's Profit Share $(1 - \frac{1}{2}) = \frac{1}{2}$

Ram's Share will be $1 + \frac{1}{4}\ (\frac{1}{2}$ of $\frac{1}{2}) = \frac{4+1}{4} = \frac{5}{4}$

Shyam's Share will be $1 + \frac{1}{4}\ (\frac{1}{2}$ of $\frac{1}{2}) = \frac{4+1}{4} = \frac{5}{4}$

Amar's Share will be $\frac{1}{2}$ or $\frac{2}{4}$

Thus, new profit-sharing ratio will be 5 : 5 : 2.

Alternatively, it may be calculated as follows:

Amar takes $\frac{1}{2}$ share out Gian's Share of $\frac{1}{3}$, *i.e.,* $\frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$ Share

Balance Profit-share = $1 - \frac{1}{6} = \frac{5}{6}$

Ram's Profit-share = $\frac{1}{2} \times - = \frac{5}{12}$

Shyam's Profit-share = $\frac{1}{2} \times \frac{5}{6} = \frac{5}{12}$

Amar's Profit-share is $\frac{1}{6}$ or $\frac{2}{12}$

Thus, new profit-sharing ratio will be 5 : 5 : 2.

3

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Revaluation A/c ...Dr.		15,000	
	Creditors A/c ...Dr.		3,000	
	To Investment A/c			10,000
	To Machinery A/c			8,000
	(Investment and machinery revalued and creditors reassessed)			

1. Which of the following sentence explains the above and give reason for your answer:
   (a) Value of Investment is reduced by ₹ 15,000, Machinery by ₹ 8,000 and Creditors are increased by ₹ 3,000.
   (b) Value of Investment is increased by ₹ 10,000, Machinery is increased by ₹ 8,000 and creditors are reduced by ₹ 3,000.
   (c) Value of Investment, Machinery and Creditors are reduced respectively by ₹ 10,000, ₹ 8,000 and ₹ 3,000.
   (d) Value of Investment is increased by ₹ 10,000, Machinery is increased by ₹ 8,000 and Creditors are increased by ₹ 3,000.
2. In the given Journal entry, what does debit of Revaluation Account means?
3. State the nature of Revaluation Account.

Answer

(a) Sentence *C* is the appropriate statement explaining the Journal entry. Investments and Machinery are assets of a firm and assets always have debit balances. Credit in the Investments Account and Machinery Account reduces the balances in these accounts. On the other hand, Creditors are liabilities of the firm and liabilities always have credit balances. Debit in the Creditors Account reduces balance in this account.

(b) Debit of Revaluation Account means loss incurred by the firm on revaluation of assets and reassessment of liabilities. Stating differently, the firm incurred a loss of ₹ 15,000 on revaluation of assets and reassessment of liabilities.

(c) Revaluation Account is a Nominal Account under Traditional Approach and Expense Account under Modern Approach of Classification of Accounts.

4

Prem and Vikas were partners and their Balance Sheet as at 31st March, 2023 was as follows:

BALANCE SHEET

as at 31st March, 2023

Liabilities		₹	Assets	₹
Capital A/cs:			Goodwill	2,00,000
Prem	2,50,000		Furniture	1,00,000
Vikas	4,00,000	6,50,000	Computers	55,000
Workmen Compensation Reserve		2,50,000	Stock	4,25,000
Sundry Creditors		4,00,000	Sundry Debtors	6,00,000
Outstanding Expenses		61,000	Cash at Bank	25,500
Salary Payable		60,000	Cash in Hand	15,500
		14,21,000		14,21,000

The firm was incurring losses for the past two years because of inadequate capital and debtors being not recovered in time. The firm received an order from Noor Exports Ltd. for supply of goods of ₹ 50,00,000.

Pawan, a supplier to whom ₹ 2,00,000 was overdue was demanding his payment. The partners discussed with Pawan about the order the firm had received and offered to admit him as a partner. He agreed and was admitted as partner on 1st April, 2023 on the following terms:

(i) He will introduce ₹ 3,50,000 as capital;

(ii) His dues as a creditor will be taken as his loan to the firm;

(iii) Capital of each partner will be ₹ 3,50,000 and shall be fixed;

(iv) Any excess capital will be transferred to Current Account of the Partner and in case of deficit in Capital, it will be brought by the partner;

(v) Partners will not get salary, interest on capital and will not make drawings for a period of two years henceforth.

A new Partnership Deed was prepared and signed and capital was introduced by Pawan on 1st April, 2023. The accountant prepared the following Balance Sheet, Capital Accounts and Bank Account after Pawan's admission as partner:

BALANCE SHEET

as at 1st April, 2023 (After Admission)

Liabilities		₹	Assets	₹
Capital A/cs:			Furniture	1,00,000
Prem	3,50,000		Computers	55,000
Vikas	3,50,000		Stock	4,25,000
Pawan	3,50,000	10,50,000	Sundry Debtors	6,00,000
Vikas's Current A/c		75,000	Cash at Bank	4,50,500
Loan by Pawan		2,00,000	Cash in Hand	15,500
Sundry Creditors		2,00,000		
Outstanding Expenses		61,000		
Salary Payable		60,000		
		16,46,000		16,46,000

Dr. PARTNERS' CAPITAL ACCOUNTS *Cr.*

Particulars	Prem ₹	Vikas ₹	Pawan ₹	Particulars	Prem ₹	Vikas ₹	Pawan ₹
To Goodwill A/c	1,00,000	1,00,000	...	By Balance *b/d*	2,50,000	4,00,000	...
To Current A/c	...	75,000	...	By Workmen Comp. Reserve	1,25,000	1,25,000	...
To Balance *c/d*	3,50,000	3,50,000	3,50,000	By Bank A/c	...	...	3,50,000
				By Bank A/c	75,000	...	...
	4,50,000	5,25,000	3,50,000		4,50,000	5,25,000	3,50,000

Dr. BANK ACCOUNT *Cr.*

Particulars	₹	Particulars	₹
To Balance *b/d*	25,500	By Balance *c/d*	4,50,500
To Pawan's Capital A/c	3,50,000		
To Prem's Capital A/c	75,000		
	4,50,500		4,50,500

The partners decided to settle and pay the liabilities. They offered the creditors to pay 60% of the amount due in settlement of their account, which they accepted. Outside liabilities were paid.

Noor Exports Ltd. was facing a court case for winding up in the court. The court ordered winding up of the company on 1st May, 2023. In view of existence of Noor Exports Ltd. being uncertain, the partners decided not to do business with them. Accordingly, Noor Exports Ltd. was informed on 15th May, 2023 cancelling the order.

As a consequence of this, they also decided to dissolve the firm immediately and Pawan took the responsibility to dissolve the firm.

Stock realised ₹ 3,25,500 and Sundry Debtors realised 60% of the due amount. Remaining assets realised 40% of their book values. Realisation Expenses were ₹ 10,000, which were paid by Pawan.

Pawan is not sure of the Balance Sheet prepared by the accountant on admission and sought your opinion (with reasons) thereon. He is also not sure as how to complete the dissolution process and close the firm.

You are to assist him in accomplishing the task.

Answer

The accountant has correctly prepared the Balance Sheet, Capital Accounts and Bank Account on admission of Pawan, as partner. The accounting treatment by the accountant is explained below:

1. Assets were not revalued and also liabilities were not reassessed at the time of admission of Pawan.
2. ₹ 2,00,000 payable to Pawan and included in Creditors is to be transferred to his Loan account.
3. Prem's Capital Account balance is short by ₹ 75,000. Thus, he brings ₹ 75,000.
4. Vikas's Capital Account balance is in excess by ₹ 75,000. Thus, ₹ 75,000 is transferred to his Current Account.

Step 1 : The firm dissolves on 15th May, 2023. Before commencing the dissolution process, Balance Sheet will have to be prepared as at 15th May, 2023. The transactions entered into by the firm in between 1st April, 2023 and 15th May, 2023, *w.r.t.*, payment of Creditors, which has resulted into gain and there is outflow from Bank Account. The Journal entries with respect thereto are:

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Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
1.	Creditors A/c	...Dr.		2,00,000	
	To Bank A/c				1,20,000
	To Liabilities Written Back A/c (Profit & Loss A/c)				80,000
	(Creditors settled at 60% and amount paid)				
2.	Profit & Loss A/c	...Dr.		80,000	
	To Prem's Current A/c				26,667
	To Vikas's Current A/c				26,667
	To Pawan's Current A/c				26,666
	(Profit on settlement to creditors credited to Partners' Current A/cs)				
3.	Outstanding Expenses A/c	...Dr.		61,000	
	Salaries Payable A/c	...Dr.		60,000	
	To Bank A/c				1,21,000
	(Outside liabilities paid)				

Step 2 : This enables us to prepare the Balance Sheet as on the date of dissolution. Balance Sheet as on the date of dissolution will be as follows:

BALANCE SHEET *as at 15th May, 2023*

Liabilities		₹	Assets	₹
Capital A/cs:			Furniture	1,00,000
Prem	3,50,000		Computers	55,000
Vikas	3,50,000		Stock	4,25,000
Pawan	3,50,000	10,50,000	Sundry Debtors	6,00,000
Vikas's Current A/c		1,01,667	Cash at Bank	2,09,500
Prem's Current A/c		26,667	Cash in Hand	15,500
Pawan's Current A/c		26,666		
Loan by Pawan		2,00,000		
		14,05,000		14,05,000

Step 3 : The next step is to prepare accounts necessary to dissolve the firm, *i.e.*, Realisation Account, Partners' Capital Accounts, Partner's Loan Account and Bank Account. These accounts are prepared as follows:

Dr. REALISATION ACCOUNT *Cr.*

Particulars		₹	Particulars		₹
To Assets transferred:			By Bank A/c:		
Furniture	1,00,000		Furniture	40,000	
Computers	55,000		Computers	22,000	
Stock	4,25,000		Stock	3,25,500	
Sundry Debtors	6,00,000	11,80,000	Sundry Debtors	3,60,000	7,47,500
To Pawan's Loan A/c (Interest)		1,500	By Loss transferred to Capital A/cs:		
To Pawan's Capital A/c		10,000	Prem	1,48,000	
			Vikas	1,48,000	
			Pawan	1,48,000	4,44,000
		11,91,500			11,91,500

Loan by Partner (Pawan) will be maintained separately because loan amount is to be paid before repayment of capitals. Pawan's Loan Account will be as follows:

Dr. PAWAN'S LOAN ACCOUNT *Cr.*

Particulars	₹	Particulars	₹
To Cash/Bank A/c	2,01,500	By Balance *b/d*	2,00,000
		By Realisation A/c (Interest)	1,500
	2,01,500		2,01,500

Dr. PARTNERS' CAPITAL ACCOUNTS *Cr.*

Particulars	Prem ₹	Vikas ₹	Pawan ₹	Particulars	Prem ₹	Vikas ₹	Pawan ₹
To Realisation A/c (Loss)	1,48,000	1,48,000	1,48,000	By Balance *b/d*	3,50,000	3,50,000	3,50,000
To Cash/Bank A/c	2,28,667	3,03,667	2,38,666	By Current A/c	26,667	1,01,667	26,666
				By Realisation A/c (Expenses)	...	...	10,000
	3,76,667	4,51,667	3,86,666		3,76,667	4,51,667	3,86,666

Dr. CASH/BANK ACCOUNT *Cr.*

Particulars	₹	Particulars		₹
To Balance *b/d* (Cash)	15,500	By Pawan's Loan A/c		2,01,500
To Bank A/c	2,09,500	By Capital A/cs:		
To Realisation A/c	7,47,500	Prem	2,28,667	
		Vikas	3,03,667	
		Pawan	2,38,666	7,71,000
	9,72,500			9,72,500

5

Kabir, Kunal and Raman had started a business by the name Fitness First sharing profits in the ratio of 2 : 2 : 1. Their Partnership Deed provided that the partnership is at will and any partner can retire by giving one month's notice in writing to the other partner. Kunal gave notice on 31st August, 2022 to retire from the firm. Their Balance Sheet as at 30th September, 2022 was as follows:

BALANCE SHEET *as at 30th September, 2022*

Liabilities		₹	Assets	₹
Capital Accounts:			Goodwill	1,00,000
Kabir	3,00,000		Fitness Equipment	15,00,000
Kunal	5,00,000		Furniture	1,00,000
Raman	2,00,000	10,00,000	Computers	45,000
Workmen Compensation Reserve		4,00,000	Stock (Fitness Accessories)	2,20,000
Bank Loan		9,00,000	Sundry Debtors	1,00,000
Sundry Creditors		1,00,000	Cash at Bank	5,21,000
Bills Payable		26,000	Cash in Hand	35,000
Outstanding Expenses		75,000		
Salary Payable		1,20,000		
		26,21,000		26,21,000

Goodwill of the firm as on the date of retirement of Kunal was valued at ₹ 1,50,000. The assets were revalued as follows:

Fitness Equipment was valued at ₹ 15,50,000; Furniture at ₹ 98,000 and Computers at ₹ 44,000.

Since, the changes in values of assets were not significant, the partners decided to ignore the Valuation Report.

Dues to Kunal were to be paid on retirement and shortfall, if any, was to be contributed by the remaining partners in their profit-sharing ratio. It was decided that firm's Cash balance will be ₹ 35,000 and Bank balance as ₹ 21,000 post retirement of Kunal.

On 1st November, 2022, a tragedy occurred as Raman died. Kabir decided to dissolve the firm. Kabir identified a buyer of the business, Atul who took over all assets for ₹ 20,00,000. He also paid ₹ 5,00,000 for the name 'Fitness First". Debtors were realised as were due. Creditors were settled and paid ₹ 92,000.

Kabir was instructor and did not have knowledge of accounting matters and has sought your guidance for the purpose. Please do the needful.

Answer

Kunal retired on 1st October, 2022 and, therefore, he will have to determine the amount due to Kunal on retirement.

The partners have decided to ignore the Valuation Report meaning that value of assets will remain unchanged. Thus, Revaluation Account will not be prepared.

Workmen Compensation Reserve (₹ 4,00,000) will be distributed among the old partners in their old profit-sharing ratio as Liability against the reserve is nil.

Goodwill existing in the Balance Sheet (₹ 1,00,000) will be written off.

Goodwill is valued as on the date of retirement (₹ 1,50,000). Share of Kunal will be debited to continuing partners in their profit-sharing ratio.

Shortfall in cash is ₹ 1,80,000 to be brought by Kabir and Raman in the ratio of 2 : 1.

As a result of above adjustments, Partners' Capital Accounts will be as follows:

Dr. PARTNERS' CAPITAL ACCOUNTS *Cr.*

Particulars	Kabir ₹	Kunal ₹	Raman ₹	Particulars	Kabir ₹	Kunal ₹	Raman ₹
To Goodwill A/c	40,000	40,000	20,000	By Balance *b/d*	3,00,000	5,00,000	2,00,000
To Kunal's Capital A/c	40,000	...	20,000	By Workmen Comp. Reserve	1,60,000	1,60,000	80,000
To Bank A/c	...	6,80,000	...	By Kabir's Capital A/c	...	40,000	...
To Balance *c/d*	5,00,000	...	3,00,000	By Raman's Capital A/c	...	20,000	...
				By Bank A/c	1,20,000	...	60,000
	5,80,000	7,20,000	3,40,000		5,80,000	7,20,000	3,40,000

BALANCE SHEET *as at 1st October, 2022 (After Retirement)*

Liabilities		₹	Assets	₹
Capital Accounts:			Fitness Equipment	15,00,000
Kabir	5,00,000		Furniture	1,00,000
Raman	3,00,000	8,00,000	Computers	45,000
Bank Loan		9,00,000	Stock (Fitness Accessories)	2,20,000
Sundry Creditors		1,00,000	Sundry Debtors	1,00,000
Bills Payable		26,000	Cash at Bank	21,000
Outstanding Expenses		75,000	(₹ 5,21,000 + ₹ 1,80,000 – ₹ 6,80,000)	
Salary Payable		1,20,000	Cash in Hand	35,000
		20,21,000		20,21,000

Next stage is to dissolve the firm on 1st November, 2022.

Assets and liabilities are taken over by Atul at their book value since revalued amount of assets is not given.

At this stage, Realisation Account, Partners' Capital Accounts, Cash/Bank Account and Raman's, Executors Account will be prepared. These accounts are prepared below:

Dr. REALISATION ACCOUNT Cr.

Particulars		₹	Particulars	₹
To Assets transferred:			By Liabilities transferred:	
Fitness Equipment		15,00,000	Bank Loan	9,00,000
Furniture		1,00,000	Sundry Creditors	1,00,000
Computers		45,000	Bills Payable	26,000
Stock (Fitness Accessories)		2,20,000	Outstanding Expenses	75,000
Sundry Debtors		1,00,000	Salary Payable	1,20,000
To Cash/Bank A/c:			By Cash/Bank A/c (Amount received from Atul)	20,00,000
Bank Loan		9,00,000	By Cash/Bank A/c (Goodwill)	5,00,000
Sundry Creditors		92,000		
Bills Payable		26,000		
Outstandingg Expenses		75,000		
Salary Payable		1,20,000		
To Gain (Profit) transferred to:				
Kabir's Capital A/c	3,62,000			
Raman's Capital A/c	1,81,000	5,43,000		
		37,21,000		37,21,000

Dr. PARTNERS' CAPITAL ACCOUNTS Cr.

Particulars	Kabir ₹	Raman ₹	Particulars	Kabir ₹	Raman ₹
To Raman's Executor's A/c	...	4,81,000	By Balance *b/d*	5,00,000	3,00,000
To Cash/Bank A/c	8,62,000	...	By Realisation A/c	3,62,000	1,81,000
	8,62,000	4,81,000		8,62,000	4,81,000

Dr. RAMAN'S EXECUTOR'S ACCOUNT Cr.

Particulars	₹	Particulars	₹
To Cash/Bank A/c	4,81,000	By Raman's Capital A/c	4,81,000

Dr. CASH/BANK ACCOUNT Cr.

Particulars	₹	Particulars	₹
To Cash Balance	35,000	By Bank A/c (Loan)	9,00,000
To Bank Balance	21,000	By Realisation A/c	3,13,000
To Realisation A/c	25,00,000	By Kabir's Capital A/c	8,62,000
		By Raman's Executor's A/c	4,81,000
	25,56,000		25,56,000