



Q4. What Journal entries will be recorded for the following transactions on the dissolution of a firm:

- Payment of unrecorded liabilities of Rs.3,200.
- Stock worth Rs.7,500 is taken by a partner Rohit.
- Profit on Realisation amounting to Rs.18,000 is to be distributed between the partners Ashish and Tarun in the ratio of 5:7.
- An unrecorded asset realized Rs.5,500.

Solution:

| Journal Entries |   |      |            |                 |
|-----------------|---|------|------------|-----------------|
| Date            | Particulars   | L.F. | Debit<br>₹ | Credit<br>₹     |
| a)              | Realization A/c<br>To Bank A/c<br>(Being unrecorded liabilities paid)   | Dr.  | 3,200      | 3,200           |
| b)              | Rohit's Capital A/c<br>To Realisation A/c<br>(Being stock is taken over by Rohit)   | Dr.  | 7,500      | 7,500           |
| c)              | Realization A/c<br>To Ashish's Capital A/c<br>To Tarun's Capital A/c<br>(Being profit on Realization is transferred to Partner's Capital Account) | Dr.  | 18,000     | 7,500<br>10,500 |
| d)              | Bank A/c<br>To Realization A/c<br>(Being unrecorded asset sold)   | Dr.  | 5,500      | 5,500           |

\*\*\*\*\* END \*\*\*\*\*