



Q17. Sanjay, Tarun and Vineet shared profit in the ratio of 3:2:1. On December 31,2012 their balance sheet was as follows:

Balance Sheet of Sanjay, Tarun and Vinit as on December 31,2012				
Liabilities		Rs.	Assets	Rs.
Capitals:			Plant	90,000
Sanjay	1,00,000		Debtors	60,000
Tarun	1,00,000		Furniture	32,000
Vinit	70,000	2,70,000	Stock	60,000
Creditors		80,000	Investments	70,000
Bills payable		30,000	Bills receivable	36,000
			Cash in hand	32,000
		3,80,000		3,80,000

On this date the firm was dissolved. Sanjay was appointed to realize the assets. Sanjay was to receive 6% commission on the sale of assets (except cash) and was to bear all expenses of Realization. Sanjay realized the assets as follows: Plant Rs.72,000, Debtors Rs.54,000, Furniture Rs.18,000, Stock 90% of the book value. Investments Rs.76,000 and Bills receivable Rs.31,000. Expenses of Realization amounted to Rs.4,500. Prepare Realization Account, Capital Accounts and Cash Account

Solution:

Books of Sanjay, Tarun and Vineet
Realization Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Plant A/c	90,000	By Creditors A/c	80,000
To Debtors A/c	60,000	By Bills Payable A/c	30,000
To Furniture A/c	32,000	By Cash:	
To Stock A/c	60,000	Plant	72,000
To Investment A/c	70,000	Debtors	54,000
To Bills Receivable A/c	36,000	Furniture	18,000
To Cash:		Stock	54,000
Creditors	80,000	Investments	76,000
Bills Payable	30,000	Bills Receivable	31,000
To Sanjay's Capital A/c (6% commission)	18,300	By Loss transferred to Sanjay's Capital A/c	30,650
		Tarun's Capital A/c	20,433
		Vineet's Capital A/c	10,217
	4,76,300		61,300
			4,76,300

Partner's Capital Accounts

Dr.				Cr.			
Particulars	Sanjay	Tarun	Vineet	Particulars	Sanjay	Tarun	Vineet
To Realization A/c (loss)	30,650	20,433	10,217	By Balance b/d	1,00,000	1,00,000	70,000
To Cash A/c	87,650	79,567	59,783	By Realization A/c (commission)	18,300		
	1,18,300	1,00,000	70,000		1,18,300	1,00,000	70,000

Cash Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	32,000	By Realization A/c	1,10,000
To Realization A/c	3,05,000	By Sanjaya's Capital A/c	87,650
		By Tarun's Capital A/c	79,567
		By Vineet Capital A/c	59,783
	3,37,000		3,37,000

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