



Q6. How will you deal with the Realisation expenses of the firm of Rashim and Bindiya in the following cases:

1. Realization expenses amounts to Rs.1,00,000,
2. Realization expenses amounting to Rs.30,000 are paid by Rashim, a partner.
3. Realization expenses are to be borne by Rashim for which he will be paid Rs.70,000 as remuneration for completing the dissolution process. The actual expenses incurred by Rashim were Rs.1,20,000.

Solution:

Books of Rashim and Bindiya
Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
1)	Realization A/c To bank A/c (Being realization expenses paid)	Dr.	1,00,000	1,00,000
2)	Realization A/c To Rashim's Capital A/c (Being realization expenses borne by Rashim)	Dr.	30,000	30,000
3)	Realization A/c To Rashim's Capital A/c (Being realization expenses borne by Rashim and remuneration to him for dissolution ₹70,000)	Dr.	70,000	70,000

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