



Q20. THE FOLLOWING IS THE BALANCE SHEET OF TANU AND MANU, WHO SHARES PROFIT AND LOSSES IN THE RATIO OF 5:3, ON DECEMBER 31,2014:

Balance Sheet of Tanu and Manu as on December 31,2014				
Liabilities		Rs.	Assets	Rs.
Sundry Creditors		62,000	Cash at Bank	16,000
Bills Payable		32,000	Sundry Debtors	55,000
Bank Loan		50,000	Stock	75,000
Reserve fund		16,000	Motor car	90,000
Capital:			Machinery	45,000
Tanu	1,10,000		investment	70,000
Manu	90,000	2,00,000	Fixtures	9,000
		3,60,000		3,60,000

On the above date the firm is dissolved and the following agreement was made: Tanu agree to pay the bank loan and took away the sundry debtors. Sundry creditors accept stock and paid **Rs.10,000** to the firm. Machinery is taken over by Manu for **Rs.40,000** and agreed to pay of bills payable at a discount of 5%. Motor car was taken over by Tanu for **Rs.60,000**. Investment realized **Rs.76,000** and fixtures Its 4,000. The expenses of dissolution amounted to **Rs.2,200**. Prepare Realization Account. Bank Account and Partners Capital Accounts.

Solution:

**Books of Tanu and Manu
Realization Account**

Dr.				Cr.
Particulars	Amount ₹	Particulars		Amount ₹
To Sundry Debtors A/c	55,000	By Sundry Creditors A/c		62,000
To Stock A/c	75,000	By Bills Payable A/c		32,000
To Motor Ca A/c r	90,000	By Bank Loan A/c		50,000
To Machinery A/c	45,000	Tanu's Capital A/c		
To Investment A/c	70,000	Sundry Debtors A/c	55,000	
To Fixtures A/c	9,000	Motor Car A/c	60,000	1,15,000
To Manu's Capital A/c (Bills Payable)	30,400	By Bank:		
To Bank A/c (Expenses)	2,200	Stock	10,000	
To Tanu's Capital A/c (Bank Loan)	50,000	Investment	76,000	
		Fixtures	4,000	90,000
		By Manu's Capital A/c (Machinery)		40,000
		By Loss transferred to Tanu's Capital A/c	23,500	
		Tanu's Capital A/c	14,100	37,600
		Manu's Capital A/c		
	4,26,600			4,26,600

Partner's Capital Accounts

Dr.			Cr		
Particulars	Tanu	Manu	Particulars	Tanu	Manu
To Realization A/c (Assets taken)	1,15,000	40,000	By Balance b/d	1,10,000	90,000
To Realization A/c (Loss)	23,500	14,100	By Realization A/c (Liabilities)	50,000	30,400
To Bank A/c	31,500	72,300	By Reserve Fund A/c	10,000	6,000
	1,70,000	1,26,400		1,70,000	1,26,400

Bank Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	16,000	By Realization A/c (Expenses)	2,200
To Realization A/c (Assets)	90,000	By Tanu's Capital A/c	31,500
		By Manu's Capital A/c	72,300
	1,06,000		1,06,000

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