



Q2. STATE THE ACCOUNTING TREATMENT FOR:

1. Unrecorded assets
2. Unrecorded liabilities

Sol:

Accounting treatment for

1. Unrecorded Assets: Unrecorded assets are omitted from the books or are assets whose value has been written off in the books of accounts but are still in working condition. The accounting treatment for unrecorded asset is

a) When the unrecorded asset is sold for cash

Cash A/c	Dr.
To Realisation A/c	
(Being unrecorded assets sold for cash)	

b) When the unrecorded asset is taken over by any partner

Partner's Capital A/c	Dr.
To Realisation A/c	
(Being unrecorded asset taken over by the partner)	

2. Unrecorded Liabilities: Unrecorded liabilities are not recorded in the books of accounts. The accounting treatment for unrecorded liability is

a. When the unrecorded liability is paid through Realisation A/c

Realisation A/c	Dr.
To Cash A/c	
(Being unrecorded liability paid in cash)	

b. When the unrecorded liability is taken over by a partner

Realisation A/c	Dr.
To Partner's Capital A/c	
(Being unrecorded liability taken over by the partner)	

***** END *****