Q25. Rajesh and Mukesh are equal partners in a firm. They admit Hari into partnership and the new profit sharing ratio between Rajesh, Mukesh and Hari is 4:3:2. On Hari's admission goodwill of the firm is valued at Rs.36,000. Hari is unable to bring his share of goodwill premium in cash. Rajesh. Mukesh and Hari decided not to show goodwill in their balance sheet. Record necessary journal entries for the treatment of goodwill on Hari's admission.
Solution: .

Books of Rajesh, Mukesh and Hari				
Journal Entries				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
	Hari's Capital A/c Dr.		8,000	
	To Rajesh's Capital A/c			2,000
	To Mukesh's Capital A/c			6,000
	(Being adjustment of Hari's share of goodwill)			

Q26. Amar and Akbar are equal partners in a firm. They admitted Anthony as a new partner and the new profit sharing ratio is 4:3:2. Anthony could not bring this share of goodwill Rs.45,000 in cash. It is decided to do adjustment for goodwill without opening goodwill account. Pass the necessary journal entry for the treatment of goodwill?

Working Notes:
1. Goodwill of a firm = ₹36,000
Hari's share in goodwill
= Goodwill of firm × Admitting partner share

$$= 36,000 \times \frac{2}{9}$$

$$= 8,000$$

2. Sacrificing Ratio = Old Ratio - New Ratio

$$\text{Rajesh's} = \frac{1}{2} - \frac{4}{9} = \frac{9-8}{18} = \frac{1}{18}$$

$$\text{Mukesh's} = \frac{1}{2} - \frac{3}{9} = \frac{9-6}{18} = \frac{3}{18}$$

Sacrificing Ratio between Rajesh and Mukesh= 1:3

Solution:

Books of Amar, Akbar and Anthony

Journal Entries

Particulars	L.F.	Dr. Rs.	Cr. Rs.
Anthoney's Capital A/c Dr.		45,000	
To Amar's Capital A/c			11,250
To Akbar's Capital A/c			33,750
(Being adjustment of Anthony's share of goodwill)			

Working Notes:

1. Sacrificing Ratio = Old Ratio -New Ratio

$$\text{Amar's} = \frac{1}{2} - \frac{4}{9} = \frac{9-8}{18} = \frac{1}{18}$$

$$\text{Akbar's} = \frac{1}{2} - \frac{3}{9} = \frac{9-6}{18} = \frac{3}{18}$$

Sacrificing Ratio between Amar and Akbar= 1:3.

*********** END *********