



Q4. What Journal entries will be recorded for the following transactions on the dissolution of a firm:

- Payment of unrecorded liabilities of Rs.3,200.
- Stock worth Rs.7,500 is taken by a partner Rohit.
- Profit on Realisation amounting to Rs.18,000 is to be distributed between the partners Ashish and Tarun in the ratio of 5:7.
- An unrecorded asset realized Rs.5,500.

Solution:

Journal Entries				
Date	Particulars	L.F.	Debit ₹	Credit ₹
a)	Realization A/c To Bank A/c (Being unrecorded liabilities paid)	Dr.	3,200	3,200
b)	Rohit's Capital A/c To Realisation A/c (Being stock is taken over by Rohit)	Dr.	7,500	7,500
c)	Realization A/c To Ashish's Capital A/c To Tarun's Capital A/c (Being profit on Realization is transferred to Partner's Capital Account)	Dr.	18,000	7,500 10,500
d)	Bank A/c To Realization A/c (Being unrecorded asset sold)	Dr.	5,500	5,500

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