



Q15. Anup and Sumit are equal partners in a firm. They decided to dissolve the partnership on December 31, 2014. When the balance sheet is as under:

Balance Sheet of Anup and Sumit as on December 31, 2014				
Liabilities		Rs.	Assets	Rs.
Sundry Creditors		27,000	Cash at bank	11,000
Reserve funds		10,000	Sundry Debtors	12,000
Loan		40,000	Plant	47,000
Capital			Stock	42,000
Anup	60,000		Lease hold land	60,000
Sumit	60,000	1,20,000	Furniture	25,000
		1,97,000		1,97,000

The Assets were realized as follows:

	Rs.
Lease hold land	72,000
Furniture	22,500
Stock	40,500
Plant	48,000

Sundry Debtors	10,500
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The Creditors were paid Rs.25,500 in full settlement. Expenses of Realization amount to Rs.2,500.

Prepare Realization Account, Bank Account. Partners Capital Accounts to close the books of the firm.

Solution:

Books of Anup and Sumit Realization Account					
Dr.			Cr.		
Particulars		Amount ₹	Particulars		Amount ₹
To Sundry Debtors A/c		12,000	By Sundry Creditors A/c		27,000
To Plant A/c		47,000	By Loan A/c		40,000
To Stock A/c		42,000	By Bank:		
To Lease hold land A/c		60,000	Lease hold Land	72,000	
To Furniture A/c		25,000	Furniture	22,500	
To Bank:			Stock	40,500	
Creditors	25,500		Plant	48,000	
Loan	40,000		Sundry Debtors	10,500	1,93,500
Expenses	2,500	68,000			
To Profit transferred to Anup's Capital A/c	3,250				
Sumit's Capital A/c	3,250	6,500			
		2,60,500			2,60,500

Partner's Capital Accounts					
Dr			Cr		
Particulars	Anup	Sumit	Particulars	Anup	Sumit
To Bank A/c	68,250	68,250	By Balance b/d	60,000	60,000
			By Reserve Fund A/c	5,000	5,000
			By Realization A/c	3,250	3,250
	68,250	68,250		68,250	68,250

Bank Account				
Dr.		Cr.		
Particulars	Amount ₹	Particulars	Amount ₹	
To Balance b/d	11,000	By Realization A/c (Expenses and Liabilities)	68,000	
To Realization A/c (Assets)	1,93,500	By Anup's Capital A/c	68,250	
		By Sumit's Capital A/c	68,250	
	2,04,500		2,04,500	

NOTE: If Loan is not transferred to the Realization Account and paid directly from Loan Account. Then the answer would match with that of the NCERT book.

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