

XII COM
 ACCOUNTS CLASS:
 Dated :11.05.2020
 Good morning Students

the necessary adjustment entry.

Revaluation Account, Partners' Capital Accounts and Balance Sheet

66. A and B are partners in a firm sharing profits in the ratio of 60 : 40. Their Balance Sheet as at 31st March, 2018 was as follows:

Liabilities		₹	Assets		₹
Creditors		3,20,000	Cash	4,80,000	2,40,000
General Reserve		1,80,000	Debtors	48,000	4,32,000
Capital A/cs:			Less: Provision for Doubtful Debts		3,00,000
A	4,00,000		Stock		74,000
B	3,50,000	7,50,000	Patents		2,04,000
			Building		12,50,000
		12,50,000			

Admission of a Partner 3.103

C is admitted into the partnership on 1st April, 2018 giving her 1/4th share in the profits. C is to bring in ₹ 3,00,000 as her Capital and her share of Goodwill in cash subject to the following terms:

- (i) Goodwill of the firm to be valued at ₹ 4,00,000.
- (ii) Stock to be reduced by 10% and Provision for Doubtful Debts be reduced by ₹ 24,000.
- (iii) Patents are valueless.
- (iv) There was a claim against the firm of ₹ 20,000 for damages. The claim has now been accepted.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the new firm.

... Their Balance Sheet as at 31st M