

Relevant journal Entries of Guarantee of Profit:

1) Profit&Loss A/c-----Dr.

To Profit &Loss Appropriation A/C(Net Profit mentioned in the problem)

2) Distribution of Profit without the treatment of Guarantee/ only with the original profit.

3) Adjustment Entries for Guarantee:

Giving Partners' Capital A/c -----Dr.

To Receiving Partners Capital A/C(with the Guaranteed amt. Only)