

Q.43 (213) In the book of firm
Revaluation A/c

| DR | ₹ | CR |
|----------------------|----------------|----------------------|
| To Motor van | 700 | By plant & Machinery |
| To stocks | 1000 | By creditors |
| To Capital A/c | | |
| Aditi | 950 | |
| Anita | 950 | |
| (Revaluation profit) | 1900 | |
| | 3600 ← Total → | 3600 |

(-) Partner's capital a/c

| DR | Aditi | Anita | Ashwini | CR |
|----------------|--------|--------|---------|----------------------|
| | | | | By Balance b/d |
| | | | | 12000 |
| | | | | 10,000 |
| | | | | - |
| | | | | By general reserve |
| | | | | 500 |
| | | | | 500 |
| | | | | - |
| | | | | By cash A/c |
| | | | | - |
| | | | | - |
| | | | | 8000 |
| | | | | By Goodwill |
| | | | | 2000 |
| | | | | 2000 |
| | | | | - |
| | | | | By revaluation |
| | | | | 950 |
| | | | | 950 |
| | | | | - |
| | | | | (Revaluation profit) |
| To balance c/d | 15,450 | 13,450 | 8000 | |
| | 15,450 | 13,450 | 8000 | |

Cash A/c

| (+) DR. | ₹ | (P) | ₹ |
|-----------------|--------|----------------|--------|
| To Balance b/d. | 800 | | |
| To Ashwini cap. | 8000 | | |
| To Goodwill | 4000 | | |
| | | By balance c/d | 12,800 |
| | 12,800 | | 12,800 |

New balance sheet of Aditi & Anita.
After admission of Ashwini
As on 1-4-2020

| Liabilities | | ₹ | Assets | | ₹ |
|-----------------|--------|--------|----------------------|----------|--------|
| Capital A/c : | | | Stock | 8000 | |
| Aditi | 15,450 | | (-) valued reduction | - 1000 | 7000 |
| Anita | 13,450 | | Debtors | | 7200 |
| Ashwini | 8000 | 36,900 | Loose tools | | 3000 |
| Creditors | 1,5000 | | Furniture | | 2000 |
| (-) written off | - 1200 | 13,800 | Motor Van | 7000 | |
| Bills payable | | 2000 | (-) Dep. @ 10% | - 700 | 6,300 |
| | | | Plant & Machinery | 12000 | |
| | | | (+) appreciated | (+ 2200) | 14,400 |
| | | | @ 20% | | |
| | | 52,700 | | | 52,700 |

Journal entries

| Date | ① | L P. | DR | CR |
|------|---|----------|--------------|--------------|
| | 1) General reserve A/c To Aditi Cap. To Anita Cap. [Being general reserve distributed] | DR | 1000 | 500 500 |
| | 2) Cash A/c To Ashwini Capital To Goodwill [Being new partner being his share of Capital & goodwill in cash] | DR | 12000 | 8000 4000 |
| | 3) Goodwill A/c To Aditi Capital To Anita Capital [Being goodwill distributed] | DR | 4000 | 2000 2000 |
| | 4) Revaluation A/c To Motor Van To Stock [Being asset revalued] | DR | 1200 | 700 1000 |
| | 5) plant & machinery A/c creditors A/c To Revaluation A/c [Being asset & liability revalued] | DR DR | 2400 1200 | 3600 |

| | | | |
|--|----|-------|-----|
| 6) Revaluation A/c | DR | 19000 | |
| To Aditi | | | 950 |
| To Anita | | | 950 |
| [Being Revaluation profit distrib- uted.] | | | |