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Revaluation Account

Debit		Credit	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Bad Debts	10,000	By Land & Buildings A/c	1,00,000
To Provision for doubtful debts	13,000		
To Partners' Capital A/cs (Gain on revaluation)			
Anita	30,800		
Gaurav	30,800		
Sonu	<u>15,400</u>		
	77,000		
Total	1,00,000	Total	1,00,000

Partners' Capital Accounts

Debit				Credit			
Particulars	Anita	Gaurav	Sonu	Particulars	Anita	Gaurav	Sonu
To Anita's Capital A/c(Goodwill)		80,000	40,000	By Balance b/d	2,00,000	2,00,000	1,00,000
To Cash A/c	1,00,000			By Gaurav's Capital A/c(Goodwill)	80,000		
To Anita's Loan A/c	2,74,800			By Sonu's Capital A/c (Goodwill)	40,000		
To Balance c/d		1,74,800	87,400	By Revaluation A/c (Gain)	30,800	30,800	15,400
				By General Reserve A/c	12,000	12,000	6,000
				By Investments Fluctuation Fund A/c	12,000	12,000	6,000
	3,74,800	2,54,800	1,27,400		3,74,800	2,54,800	1,27,400

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Balance Sheet
As at 31st March, 2019

Debit		Credit	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
<u>Capital Accounts:</u>		Land and Buildings (5,00,000+1,00,000)	6,00,000
Gaurav	1,74,800	Investments (1,20,000-10,000)	1,10,000
Sonu	<u>87,400</u>	Debtors	1,30,000
Anita's Loan A/c	2,74,800	Less: Provision for doubtful debts	<u>13,000</u>
Creditors	4,60,000	Stock	1,00,000
		Cash at bank (1,70,000-1,00,000)	70,000
Total	9,97,000	Total	9,97,000



Working Notes

Profit Sharing Ratio (Before Anita's retirement): Anita : Gaurav : Sonu = 2 : 2 : 1

Profit Sharing Ratio (Post Anita's retirement): Gaurav : Sonu = 2 : 1

Goodwill of the Firm = 3,00,000

Anita's Share of Goodwill = $3,00,000 \times \frac{2}{5} = 1,20,000$

Gaurav's Contribution = $1,20,000 \times \frac{2}{3} = 80,000$

Sonu's Contribution = $1,20,000 \times \frac{1}{3} = 40,000$

Provision for Doubtful Debts

Particulars	Debtors A/c	Provision for doubtful debts A/c	Revaluation A/c
Book Value	1,50,000	10,000	
Bad debts write off	20,000	10,000	10,000
Balance	1,30,000	Nil	
Provision to be maintained at 10% of Debtors	13,000		
Additional provision to be maintained/(reversed)	13,000		