

Solution-31

Revaluation Account

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Workmen Compensation Liability	30,000	By Loss transferred to:	
		Ram's Capital	12,000
		Mohan's Capital	9,000
		Sohan's Capital	6,000
		Hari's Capital	3,000
			30,000
Total	30,000	Total	30,000

Partners' Capital Accounts

Dr.					Cr.				
Particulars	Ram	Mohan	Sohan	Hari	Particulars	Ram	Mohan	Sohan	Hari
To Revaluation A/c	12,000	9,000	6,000	3,000	By Balance b/d	4,00,000	4,50,000	2,50,000	2,00,000
To Ram's Capital A/c	-	-	13,500	40,500	By Sohan's Capital A/c	13,500	4,500	-	-
To Mohan's Capital A/c	-	-	4,500	13,500	By Hari's Capital A/c	40,500	13,500	-	-
To Ram's Current A/c	3,15,000	-	-	-	By Sohan's Current A/c	-	-	1,55,000	-
To Mohan's Current A/c	-	2,05,000	-	-	By Hari's Current A/c	-	-	-	3,65,000
To Balance c/d	1,27,000	2,54,000	3,81,000	5,08,000					
Total	4,54,000	4,68,000	4,05,000	5,65,000		4,54,000	4,68,000	4,05,000	5,65,000

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Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts		Fixed Assets	9,00,000
Ram	1,27,000	Current Assets	5,20,000
Mohan	2,54,000	Current Accounts	
Sohan	3,81,000	Sohan	1,55,000
Hari	5,08,000	Hari	3,65,000
Current Accounts			
Ram	3,15,000		
Mohan	2,05,000		
Workmen Compensation Liability			
	1,50,000		
Total	19,40,000	Total	19,40,000

Working Notes

	<u>Old Ratio</u>	<u>New Ratio</u>	<u>Sacrificing/Gaining Ratio</u>		<u>Goodwill</u>	
Ram	$\frac{4}{10}$	$\frac{1}{10}$	$\frac{4-1}{10} = \frac{3}{10}$	Sacrifice	$1,80,000 \times \frac{3}{10}$	= 54,000 Cr
Mohan	$\frac{3}{10}$	$\frac{2}{10}$	$\frac{3-2}{10} = \frac{1}{10}$	Sacrifice	$1,80,000 \times \frac{1}{10}$	= 18,000 Cr
Sohan	$\frac{2}{10}$	$\frac{3}{10}$	$\frac{2-3}{10} = \frac{-1}{10}$	Gain	$1,80,000 \times \frac{1}{10}$	= 18,000 Dr
Hari	$\frac{1}{10}$	$\frac{4}{10}$	$\frac{1-4}{10} = \frac{-3}{10}$	Gain	$1,80,000 \times \frac{3}{10}$	= 54,000 Dr

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Capital Adjustment

Partner	Capital Balance	New Ratio	New Capital	Balance Current A/c
Ram	4,42,000	1	1,27,000	3,15,000 Cr
Mohan	4,59,000	2	2,54,000	2,05,000 Cr
Sohan	2,26,000	3	3,81,000	-1,55,000 Dr
Hari	1,43,000	4	5,08,000	-3,65,000 Dr
Total	12,70,000	10	12,70,000	-

Journal Entry

Date	Particulars	L.F.	Debit Amount	Credit Amount
	Sohan's Current A/c	Dr.	1,55,000	
	Hari's Current A/c	Dr.	3,65,000	
	To Ram's Current A/c			3,15,000
	To Mohan's Current A/c			2,05,000

