

**Solution-31**

**JOURNAL**

<b>Date</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Dr Amount (₹)</b>	<b>Cr Amount (₹)</b>
(i)	Profit and Loss A/c <span style="float: right;">Dr.</span>		50,000	
	To Profit and Loss Appropriation A/c (Net profit transferred to Profit & Loss Appropriation A/c)			50,000
(ii)	Profit and Loss Appropriation A/c <span style="float: right;">Dr.</span>		50,000	
	To Sumit's Capital A/c To Namit's Capital A/c (Profit distributed to partners)			30,000 20,000
	Profit and Loss A/c <span style="float: right;">Dr.</span>		15,000	
	To Profit and Loss Appropriation A/c (Net profit transferred to Profit & Loss Appropriation A/c)			15,000
	Interest on Capital A/c <span style="float: right;">Dr.</span>		15,000	
	To Sumit's Capital A/c To Namit's Capital A/c (Interest on Capital provided at 10% p.a.)			10,000 5,000

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(iii)	Profit and Loss Appropriation A/c <span style="float: right;">Dr.</span> To Interest on Capital A/c (Interest on capital transferred to Profit & Loss Appropriation A/c)		15,000	15,000
	Profit and Loss A/c <span style="float: right;">Dr.</span> To Profit and Loss Appropriation A/c (Net profit transferred to Profit & Loss Appropriation A/c)		23,000	23,000
	Interest on Capital A/c <span style="float: right;">Dr.</span> To Sumit's Capital A/c To Namit's Capital A/c (Interest on Capital provided at 12% p.a.)		18,000	12,000 6,000
	Profit and Loss Appropriation Account <span style="float: right;">Dr.</span> To Interest on Capital (Interest on capital transferred to Profit & Loss Appropriation A/c)		18,000	18,000

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	Profit and Loss Appropriation A/c <span style="float: right;">Dr.</span>		5,000	
	To Sumit's Capital A/c <span style="float: right;">3,000</span>			
	To Namit's Capital A/c <span style="float: right;">2,000</span>			
	(Profit distributed to partners)			
(iv)	Profit and Loss Appropriation A/c <span style="float: right;">Dr.</span>		8,000	
	To Profit and Loss A/c <span style="float: right;">8,000</span>			
	(Net profit transferred to Profit & Loss Appropriation A/c)			
	Sumit's Capital A/c <span style="float: right;">Dr.</span>		4,800	
	Namit's Capital A/c <span style="float: right;">Dr.</span>		3,200	
	To Profit and Loss Appropriation A/c <span style="float: right;">8,000</span>			
	(Loss for the year debited to Partners)			
(v)	Profit and Loss A/c <span style="float: right;">Dr.</span>		3,000	
	To Profit and Loss Appropriation A/c <span style="float: right;">3,000</span>			
	(Net profit transferred to Profit & Loss Appropriation A/c)			

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(vi)	Profit and Loss Appropriation Account <span style="float: right;">Dr.</span> To Sumit's Capital A/c <span style="float: right;">2,000</span> To Namit's Capital A/c <span style="float: right;">1,000</span> (Profit distributed to partners in the ratio of appropriations 2:1)		3,000	
	Interest on Capital A/c <span style="float: right;">Dr.</span> To Sumit's Capital A/c <span style="float: right;">5,000</span> To Namit's Capital A/c <span style="float: right;">2,500</span> (Interest on Capital provided at 5% p.a.)		7,500	
	Profit and Loss A/c <span style="float: right;">Dr.</span> To Interest on Capital A/c <span style="float: right;">7,500</span> (Interest on capital transferred to Profit & Loss A/c being charge against profit)		7,500	7,500
	Profit and Loss Appropriation A/c <span style="float: right;">Dr.</span> To Profit and Loss A/c <span style="float: right;">1,500</span> (Net loss transferred to Profit & Loss Appropriation A/c)		1,500	1,500

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Date	Particulars	L.F.	Dr Amount (₹)	Cr Amount (₹)
	Sumit's Capital A/c	Dr.	900	
	Namit's Capital A/c	Dr.	600	
	To Profit and Loss Appropriation A/c (Loss distributed to partners in their PSR)			1,500

