

Solution-49

Profit and Loss Appropriation A/c

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital:		By Profit and Loss A/c (Net Profit)	1,72,000
A's Capital	5,000		
B's Capital	5,000		
C's Capital	10,000		
	20,000		
To B's Capital (Salary)	12,000		
To Profit transferred to:			
A's Capital	50,000		
B's Capital	44,000		
C's Capital	46,000		
	1,40,000		
Total	1,72,000	Total	1,72,000



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Date	Particulars	L.F.	Dr Amount (₹)	Cr Amount (₹)
Mar 31	Interest on Capital A/c Dr. To A's Capital A/c 5,000 To B's Capital A/c 5,000 To C's Capital A/c 10,000 (Interest on capital provided)		20,000	
Mar 31	Salary to Partner A/c Dr. To B's Capital A/c 12,000 (Salary paid to B)		12,000	
Mar 31	Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c 20,000 To Salary to Partner A/c 12,000 (Interest on Capital A/c tfd to P&L Appropriation A/c)		32,000	
Mar 31	Profit and Loss Appropriation A/c Dr. To A's Capital A/c 44,000 To B's Capital A/c 46,000 To C's Capital A/c 1,40,000 (Distribution of Profits to the Partners)		50,000	

Working Note:

Division of Profits

Particulars	A	B	C
First 20,000	5,000	5,000	10,000
Next 30,000	15,000	9,000	6,000
Remaining 90,000 (Equal)	30,000	30,000	30,000
Total	50,000	44,000	46,000

