

Solution-79

JOURNAL

Date	Particulars	L.F.	Dr Amount (₹)	Cr Amount (₹)
	Profit and Loss Appropriation A/c Dr. To A's Capital A/c To B's Capital A/c To C's Capital A/c (Being profit distributed to partners)		4,00,000	2,00,000 1,60,000 40,000
	A's Capital A/c Dr. B's Capital A/c Dr. To C's Capital A/c (Being minimum guarantee of profit to C met by A and B)		5,000 5,000	10,000

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	A	B	C
Share	5	4	1
Guarantee			50,000

Distribution of profits

Particulars	A	B	C
Profit distributed in profit sharing ratio	$4,00,000 \times \frac{5}{10}$ = 2,00,000	$4,00,000 \times \frac{4}{10}$ = 1,60,000	$4,00,000 \times \frac{1}{10}$ = 40,000
Minimum Guaranteed profits to C			50,000
Deficit			$50,000 - 40,000 = 10,000$
Deficit to be borne by A & B in the ratio of 1:1	$10,000 \times \frac{1}{2} = 5,000$	$10,000 \times \frac{1}{2} = 5,000$	
Final Share in profits	$2,00,000 - 5,000 =$ 1,95,000	$1,60,000 - 5,000$ = 1,55,000	50,000

