

Solution-90

Profit and Loss Appropriation A/c

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Profit Transferred to Abhijit's Capital	41,400	By Profit and Loss A/c (Net Profit)	75,000
Baljit's Capital	27,600		
Charanjit's Capital	15,000	By Baljit's Capital A/c (Guarantee of fees 25,000- 16,000)	9,000
Total	84,000	Total	84,000

Distribution of profits

Particulars	Abhijit	Baljit	Charanjit
Distribution of profit of 84,000	42,000	28,000	14,000
Minimum Guaranteed profits to Charanjit			15,000
Deficit			1,000
Sharing deficit by Abhijit & Baljit in the ratio of 3:2	$1,000 \times 3/5 = 600$	$1,000 \times 2/5 = 400$	
Final Share in profits	$42,000 - 600 = 41,400$	$28,000 - 400 = 27,600$	15,000