

SOLUTIONS

Q1.

Dr.		Profit & Loss Adjustment A/c		Cr.	
Particulars	₹	₹	Particulars	₹	
To Plant & Machinery A/c		14,000	By Stock A/c	10,000	
To R.D.D. A/c		2,000	By Land & Building A/c	18,000	
To Capital A/c:					
Om	6,000				
Jai	4,000				
Jagdish	<u>2,000</u>	12,000			
		28,000			28,000

Dr.		Capital A/c			Cr.		
Particulars	Om	Jai	Jagdish	Particulars	Om	Jai	Jagdish
To Jai's Loan A/c	—	1,52,000	—	By Balance b/d	1,60,000	1,20,000	1,20,000
To Balance c/d	2,08,000	—	1,36,000	By General Reserve	12,000	8,000	4,000
				By Goodwill A/c	30,000	20,000	10,000
				By Profit & Loss Adjustment A/c	6,000	4,000	2,000
	2,08,000	1,52,000	1,36,000		2,08,000	1,52,000	1,36,000

Balance Sheet as on 31st March, 2019

Liabilities	₹	₹	Assets	₹	₹
Capitals:			Land & Building	1,80,000	
Om	2,08,000		(+) Appreciation	<u>18,000</u>	1,98,000
Jagdish	<u>1,36,000</u>	3,44,000	Plant & Machinery	1,40,000	
Creditors		80,000	(-) Depreciation	<u>14,000</u>	1,26,000
Bills Payable		26,000	Motor Car		40,000
Jai's Loan		1,52,000	Stock	1,00,000	
			(+) Appreciation	<u>10,000</u>	1,10,000
			Debtors	63,000	
			Less: RDD	<u>5,000</u>	58,000
			Bank		10,000
			Goodwill		60,000
		6,02,000			6,02,000

Q2.

Dr.			Revaluation A/c		Cr.	
Particulars		₹	Particulars		₹	
To Machinery A/c		4,000	By Building A/c		19,000	
To R.D.D. A/c		1,000				
To Capital A/c:						
Rohit	6,000					
Nisha	4,000					
Sunil	<u>4,000</u>	14,000				
		19,000			19,000	

Dr.				Capital A/c				Cr.		
Particulars	Rohit	Nisha	Sunil	Particulars	Rohit	Nisha	Sunil			
To Nisha's Loan A/c	—	66,000	—	By Balance b/d	60,000	40,000	40,000			
				By General Reserve	9,000	6,000	6,000			
To Balance c/d	75,000	—	50,000	By Goodwill A/c	—	16,000	—			
				By Revaluation A/c	6,000	4,000	4,000			
	75,000	66,000	50,000		75,000	66,000	50,000			

Balance Sheet as on 31st March, 2019

Liabilities	₹	₹	Assets	₹	₹
Capitals:			Building	90,000	
Rohit	75,000		(+) Appreciation	<u>19,000</u>	1,09,000
Sunil	<u>50,000</u>	1,25,000	Machinery	40,000	
Creditors		26,000	(-) Depreciation	<u>4,000</u>	36,000
Bills Payable		13,000	Stock		23,000
Nisha's Loan		66,000	Debtors	30,000	
			Less: R.D.D.	<u>1,500</u>	28,500
			Bank		17,500
			Goodwill		16,000
		2,30,000			2,30,000

Note:

Nisha's share of Goodwill = $56,000 \times \frac{2}{7} = 16,000$