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## DEATH OF A PARTNER

1. $A, B$ and $C$ were partners in a firm. $C$ died on $28^{\text {th }}$ Feb 2014. His share of profit from the closure of the last accounting year till the date of death was to be calculated on the basis of the average profit of three complete years before death, profit for 20112012 and 2013 were Rs. 1400 and Rs. 1600 and Rs. 1800 respectively.

Calculate C's share of profit till his death.
Ans:- Average profit $=14,000+16,000+18,000$
3

$$
=48,000 / 3=16000
$$

Estimate profit till the date of death $=16,000 \mathrm{X}=2666.66$
C's share of estimated profit $=2666.66 \mathrm{x}=888.8$
2. If profit till the date of death are to be ascertained $A B$ and sharing profit in the ratio of 2:2:1
B died on $31^{\text {st }}$ March 2014,Accounting are closing on December sales for the year 2013 amounted to Rs. 9,00,000 , sales of Rs. 3,00,000 amounted between the period from 1 Jan 2014 to 31 March 2014. The profit for the year 2013 amounted to Rs. 90,000.
Calculate deceased partner's share in the Profit of the firm.

Solution:- \% of profit to sale for the year $2013=X 100=10 \%$
Profit up to death $10 \%$ of $3,00,000$ i.e. 30,000
B's share 30,000 X = 12,000
Or
$X 3,00,000=30,000$
3. $A B$ and $C$ are partners sharing profit and losses in the ratio $2: 2: 1$. $C$ died on $31^{\text {st }}$ March 2014 profit and sales for the calendar year 2013 were Rs. 3,00,000 and Rs. 30,00,000 respectively. Sales during Jan to March 2014 were $4,50,000$. Calculate share and profit of $C$ up to date of death. Hint:- C's share 9,000.

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4. D P and G were partner in a firm sharing profit and losses in the ratio of 5:3:2. P died on 31May 2013 his share of profit from the closure of the last accounting year to the date of death, was to be calculated on the basis of the average of three completed years of profit, before death, profit for the years ended $31^{\text {st }}$ dec 2010,2011,2012 were Rs. 51,000 Rs. 45,000 and 39,000 respectively.
Calculate P's share of profit.
Hint:- Rs. 5,625
5. $\mathrm{A}, \mathrm{B}$ and c are partners in a firm sharing profits and losses in the ratio of 3:2:1. B died on January 2016. C, the son of B, is of the opinion that he is rightful owner of his father's share of profits, and the profits of the firm be shared between A and c equally. A does not agree. Settle the dispute between A and c and decide the profit sharing ratio for them.

## SOLUTION:

The share of $B$ will be shared between $A$ and $C$ in their mutual ratio
$A=3 / 6+(3 / 4 * 2 / 6)$
$C=1 / 6+(1 / 4 * 2 / 6)$

NPSR 3:1
6. $\mathrm{A}, \mathrm{B}$ and C are partners in a firm sharing profits and losses in the ratio of their capitals which were Rs. 400000 , Rs. 300000 and Rs. 200000 respectively. On 1-4-2015 B died. On that date there was a balance of Rs. 270000 in their General Reserve and a debit balance of Rs. 90000 in their P/L Appropriation Account.
Pass necessary journal entries on B's death

SOLUTION:

A Dr 40000
B Dr 30000
C $\operatorname{Dr} 20000$
To P/LA/c 90000

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| General Reserve | Dr. 270000 |  |
| :---: | :--- | :--- |
| To A |  | 120000 |
| To B |  | 90000 |
| To C |  | 20000 |

## (3-4 Marks)

7. $P R$ and $S$ are in partnership sharing profit $4: 3: 1$, respectively. It provided in the partnership deed that on the death of any partner his share of goodwill is to be valued at (one third) of the net profit credit to the account during the last four completed years. R died on $1^{\text {st }}$ Jan 2014. The firm profit for the four years were as:-
2010 Rs. 2, 40,000 2014 Rs. 1, 60,000 2012 Rs. 80,000 2013 Rs. 1, 20,000.
(a) Determine the amount that should be Credited to R in respective of his share of goodwill
(b) Pass Journal entry without goodwill A/C for its adjustment.

## SOLUTION:

$240000+160000+80000+120000=600000$
$600000 * 3 / 8^{*} 1 / 3=75000$

| P | Dr | 60000 |
| :--- | ---: | :--- |
| S | Dr | 15000 |
|  | To R | 75000 |

8. $A, B$ and $C$ are partners sharing profits and losses in the ratio of $5: 4: 1$. The profit for the year ending 31, March, 2010 was Rs. 1, 00,000. B died on $30^{\text {th }}$ June 2010. Calculate C's share of profit till the date of death and pass necessary journal entry.

| Profit and Loss suspense $\mathrm{a} / \mathrm{c}-\mathrm{Dr}$ | 10,000 |  |
| :--- | :--- | :--- |

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| B's Capital Account |  | 10,000 |
| :--- | :--- | :--- |
| (Being B's share of profit transferred to <br> his capital account) |  |  |

C's share of profit $=1,00,000 \times 4 / 10 \times 3 / 12=10,000$
9. $\mathrm{X}, \mathrm{Y}$ and Z are partners in a firm sharing profits and losses in the ratio of 5:4:1.The Partnership agreement provides that the share of profit of the deceased partner will be worked out on the basis of sales. The sales for the year 2009-10 was Rs. 8,00,000 and the sales from April 1, 2010 to June 30, 2010 was Rs. 1,50,000. The profit for the year ended 31st March 2010 amounted to Rs. 1,00,000. Y died on $30^{\text {th }}$ June 2010. Calculate his share of profit and pass necessary journal entry.

| Profit and Loss suspense a/c - Dr <br> Y's Capital Account | 7500 |  |
| :--- | :--- | :--- |
| (Being Y's share of profit <br> transferred to his capital account |  | 7500 |

Sales for the year 2009-10 Rs.8, 00,000 Profit for the year 2009-10 Rs. 1,00,000 Sales from April 1,2010 to $30^{\text {th }}$ June 2010 Rs. 1,50,000 Profit upto $30^{\text {th }}$ June $2010=?$

C's share of profit $=1,00,000 / 8,00,000 \times 1,50,000=18750 \mathrm{X} 4 / 10=$ Rs. 7500.

## 6-8 Marks Questions

10.. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2006 their Balance Sheet was as under:

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## BALANCE SHEET

| Liabilities | Amount Rs. | Assets | Amount <br> Rs. |
| :--- | ---: | :--- | :--- |
| Capitals | $1,50,000$ | Patents | $1,25,000$ |
| Ram | $1,25,000$ | Machinery | 30,000 |
| Mohan | 75,000 | Stock | $1,50,000$ |
| Sohan | 30,000 | Cash at Bank | $1,90,000$ |
| Workmen's <br> Compensation <br> Reserve | $1,55,000$ |  | 40,000 |
| Creditors | $5,35,000$ |  | $5,35,000$ |
|  |  |  |  |

Sohan died on 1st August, 2006. It was agreed that :
(i) Goodwill of the firm is to be valued at Rs. 1,75,000.
(ii) Machinery be valued at Rs. 1,40,000; Patents at Rs. 40,000; Leasehold atRs. 1,50,000 on this date.
(iii) For the purpose of calculating Sohan's share in the profits of 2006-07, the profits should be taken to have accrued on the same scale as in 2005-06, which wereRs. 75,000.

Prepare Sohan's Capital Account and Revaluation Account.

SOLUTION:
Revaluation Account

| Particulars | AmtRs. | Particulars | AmtRs. |
| :--- | :---: | :--- | :---: |
| Machinery | 10,000 | Leasehold | 25000 |
| Capital Accounts |  | Patents | 10,000 |
| Ram | 12500 |  |  |
| Mohan | 7500 |  |  |
| Sohan | 5000 |  |  |
|  | 35000 |  | 35000 |

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Sohan's capital Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
|  |  | By Balance b/d | 75000 |
| To Sohan's Executor's <br> account | $1,26,000$ | By Revaluation a/c | 5000 |
|  |  | By Ram's Capital a/c | 21875 |
|  |  | By Mohan's capital a/c | 13125 |
|  | By P \& L Suspense A/c | 13125 |  |
|  | By Workmen's Compensation <br> a/c | 6000 |  |
|  | $1,26,000$ |  | $1,26,000$ |

Working Note :
a)Total Goodwill of the firm $=1,75,000$

Sohan's share of goodwill $=1,75,000 \times 2 / 10=35000$ ( to be divided in the ratio of 5:3 i.e
gaining ratio)
b) Sohan's share of profit $=75000 \times 4 / 12 \times 2 / 10=$ Rs. 5000
11. Following is the Balance sheet of P, Q and R as on 31st December 2010 sharing profits in the ratio of 5:3:2.

| Liabilities | Rs. | Assets | Rs. |
| :--- | :--- | :--- | :--- |
| Capital Accounts |  | Cash | 13000 |
| P | 30000 | Debtors | 8000 |
| Q | 25000 | Machinery | 30000 |
| R | 15000 | Stock | 10000 |
| Creditors | 7000 | Patents | 6000 |
| Reserve Fund | 10000 | Building | 20000 |
|  | 87000 |  | 87000 |

P died on $1^{\text {st }}$ July 2011 on the following terms-

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i) Patents are to be valued at Rs. 8000, Machinery at Rs. 28000 and Building at Rs. 30,000.
ii) Interest on Capital is to be provided at $10 \%$ p.a.
iii) Goodwill of the firm is valued at 2 years purchase of the average profits of the last five years which were-

| 2006 Rs. 15,000 | $2007-$ Rs. 13000 | $2008-$ Rs. 12,000 |
| :--- | :---: | :---: |
| 200915,000 and | 2010 -Rs. 20,000 |  |

iv) Profit for the year 2011 has been accrued on the same scale as in 2010.
v) P's Executor is to be paid Rs. 11,500 and balance transferred to his loan account.

Prepare Revaluation Account, P's Capital account and P's executors account.Also pass necessary journal entries.

## SOLUTION:

Revaluation Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| Machinery | 2000 | Patents | 2000 |
| Capital Accounts- |  | Buildings | 10000 |
| P | 5000 |  |  |
| Q | 3000 |  |  |
| R | 2000 |  |  |
|  | 12000 |  | 12000 |

## P's Capital Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| To P's Executors a/c | 61500 | By Balance b/d | 30000 |
|  |  | By Reserve fund | 5000 |
|  |  | By Q's Capital a/c | 9000 |
|  |  | By R's Capital a/c | 6000 |
|  |  | By Revaluation a/c | 5000 |

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|  |  | By Interest on capital | 1500 |
| :--- | :---: | :--- | :---: |
|  | 61500 |  | 61500 |

P's Executor's account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| To Bank/cash a/c | 11500 | By P's Capital a/c | 61500 |
| To P's Executor's Loan a/c |  |  |  |
|  | 50000 |  |  |

Working Note :
a) Interest on Capital : 30,000 X 10/100 X 6/12 = Rs. 1500
b) Reserve fund $=10,000 \times 5 / 10=$ Rs. 5000
c) P's Share of profits $=20,000 \times 5 / 10 \times 6 / 12=$ Rs. 5000 .(for 6 months)
d) Total Goodwill of the firm =

Average profits $=75000 / 5=$ Rs. 15000
Goodwill $=15000$ X $2=30,000$
P's share of Goodwill $=30,000 \mathrm{X} 5 / 10=15000$ (to be divided in Gaining ratio 3:2)

Journal

| SN | Particulars | LF | AmtRs. | AmtRs. |
| :--- | :--- | :--- | :--- | :--- |
| 1 | Revaluation a/c ----Dr <br> To Machinery a/c <br> (Being machinery revalued) |  | 2000 | 2000 |
| 2 | Patents a/c --Dr <br> Building a/c - Dr <br> To Revaluation a/c <br> (Being Assets revalued) | 2000 <br> 10000 | 12000 |  |
| 3 | Revaluation a/c --- Dr <br> To P's Capital a/c <br> To Q's Capital a/c | 10000 | 5000 |  |

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|  | To R's Capital a/c <br> (Being Revaluation profit <br> distributed) |  | 2000 |
| :--- | :--- | :--- | :--- |
| 4 | Reserve fund a/c -Dr <br> To P's Capital a/c <br> (Being reserve distributed) | 5000 | 5000 |
| 5 | Q's Capital a/c ---Dr <br> R's Capital a/c ---Dr <br> To P's capital a/c <br> (Being deceased partner 's account <br> credited by his share of goodwill <br> contributed by the gaining <br> partners) | and | 6000 |
| 6 | Interest on capital a/c - Dr <br> To P's Capital a/c <br> (Being Interest on capital provided <br> to the deceased partner) | 1500 | 15000 |
| 7 | P's Capital a/c ---Dr <br> To P's executor's a/c <br> (Being P's balance due transferred <br> to his executor's a/c) | 61500 | 61500 |
| 8 | P's executor's a/c --Dr <br> To Cash a/c <br> To P's executor's loan a/c <br> (Being amount paid to the executor <br> and balance transferred to his loan <br> account) | 61500 | 11500 |

12. $\mathrm{X}, \mathrm{Y}$ and Z are partners sharing profits and losses in the ratio of 2:2:1 respectively. Their Balance Sheet as on $31^{\text {st }}$ march 2007 was as follows-

Balance Sheet as on 31/03/10

| Liabilities | Rs. | Assets | Rs. |
| :--- | ---: | :--- | :--- |
| Sundry Creditors | $1,00,000$ | Cash at bank | 20,000 |
| Capital Accounts |  | Stock | 30,000 |
| X | 60,000 | Sundry Debtors | 80,000 |
| Y | $1,00,000$ | Investments | 70,000 |
| Z | 40,000 | Furniture | 35,000 |
| General Reserve | 50,000 | Buildings | $1,15,000$ |
|  | $3,50,000$ |  | $3,50,000$ |

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Z died on $30^{\text {th }}$ September 2007 and the following was provided-
a) "Z" will be entitled to his share of profit upto the date of death based on last year's profit.
b) Z's share of Goodwill will be calculated on the basis of 3 years purchase of average profits of last four years. The profits of the last four years was as follows-

Year I - 80,000, Year II -Rs. 50,000 Year III - Rs. 40,000 and Year IV -Rs. 30,000
c) Interest on Capital was provided at 12\% p.a.
d) Drawings of the deceased partner upto the date of death was Rs. 10,000.
e) Rs. 15,400 should be paid immediately to the executor of the deceased partner and the balance in four equal yearly installments with interest at $12 \%$ on remaining balance.

Prepare Z's capital account and Z's executors account till the account is finally closed.

SOLUTION:
Z's Capital Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| To Drawings | 10,000 | To Balance b/d | 40,000 |
| To Z's Executor's <br> a/c | 75,400 | To General Reserve | 10,000 |
|  |  | To Profit \&Loss <br> Suspense a/c | 3,000 |
|  | To Interest on capital | 2400 |  |
|  |  | To X's Capital a/c | 15,000 |
|  | 85400 | To Y's capital a/c | 15,000 |
|  |  | 85400 |  |

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Z's Executor's Account

| Date | Particulars | Rs. | Date | Particulars | Rs. |
| :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{array}{\|l\|} \hline 30 / 09 / \\ 07 \\ \hline \end{array}$ | Bank a/c | 15400 | $\begin{array}{\|l\|} \hline 30 / 09 / \\ 07 \\ \hline \end{array}$ | Z's Capital a/c | 75400 |
| $\begin{array}{\|l\|} \hline 31 / 03 / \\ 08 \end{array}$ | Balance c/d | 63600 | $\begin{aligned} & \hline 31 / 03 / \\ & 08 \end{aligned}$ | Interest on Loan (on Rs. 60,000@12\% for 6 months) | 3600 |
|  |  | 79000 |  |  | 79000 |
| $\begin{array}{\|l\|} \hline 30 / 09 / \\ 08 \end{array}$ | $\begin{aligned} & \text { Bank a/c } \\ & (15000+ \\ & 7200) \end{aligned}$ | 22,200 | $\begin{array}{\|l\|} \hline 1 / 04 / 0 \\ 8 \end{array}$ | Balance b/d | 63600 |
| $\begin{aligned} & 31 / 03 / \\ & 09 \\ & \hline \end{aligned}$ | Balance c/d | 47,700 | $\begin{array}{\|l\|} \hline 30 / 09 / \\ 08 \end{array}$ | Interest on Loan(On Rs. 60,000 @ 12\% for 6 months) | 3600 |
|  |  |  | $\begin{array}{\|l\|} \hline 31 / 03 / \\ 09 \end{array}$ | Interest on Loan(on Rs. 45000 @12\% for 6 months) | 2700 |
|  |  | 69900 |  |  | 69900 |
| $\begin{aligned} & \hline 30 / 09 / \\ & 09 \end{aligned}$ | $\begin{aligned} & \text { Bank a/c } \\ & (15000+5400 \\ & ) \end{aligned}$ | 20,400 | $\begin{aligned} & 1 / 04 / 0 \\ & 9 \end{aligned}$ | Balance b/d | 47,700 |
| $\begin{aligned} & 31 / 03 \\ & / 10 \\ & \hline \end{aligned}$ | Balance c/d | 31800 | $\begin{aligned} & \hline 30 / 09 / \\ & 09 \end{aligned}$ | Interest on loan(on Rs. 45000 @ 12\% for 6 months) | 2700 |
|  |  |  | $\begin{aligned} & \hline 31 / 03 / \\ & 10 \end{aligned}$ | Interest on loan (on Rs. 30,000@12\% for 6 months) | 1800 |
|  |  | 52200 |  |  | 52200 |
| $\begin{array}{\|l\|} \hline 30 / 09 / \\ 10 \end{array}$ | $\begin{aligned} & \text { Bank } \\ & \text { a/c(15000 + } \\ & 3600) \end{aligned}$ | 18600 | 1/4/10 | Balance b/d | 31800 |
| $\begin{array}{\|l\|} \hline 31 / 03 / \\ 11 \end{array}$ | Balance c/d | 15900 | $\begin{array}{\|l\|} \hline 30 / 09 / \\ 10 \end{array}$ | Interest on loan(on Rs. 30,000 @12\% for |  |

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|  |  |  |  | 6 months) | 1800 |
| :--- | ---: | ---: | :--- | :--- | ---: |
|  |  |  | $31 / 03 /$ <br> 11 | Interest on Loan(on <br> Rs. 15000 @12\% for <br> 6 months) | 900 |
| $30 / 09 /$ <br> 11 | Bank a/c <br> $(15000+1800$ | 16800 | $1 / 04 / 1$ <br> 1 | Balance b/d | 34500 |
|  |  | $30 / 09 /$ <br> 11 | Interest on loan(on <br> Rs. 15000 @12\% for <br> 6 months) | 900 |  |
|  |  | 16800 |  |  | 16800 |

13. Dev, Swati and Sanskar were partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31-3-2014 their Balance Sheet was as follows:

BALANCE SHEET

| Liabilities | Amount | Assets | Amount |
| :--- | :--- | :--- | :--- |
| Trade Payebles | 17000 | Building | 104000 |
| Bank Loan | 13000 | Inventory | 16000 |
| Capitals: |  | Trade receivables | 23000 |
| Dev | 77000 | Cash | 40000 |
| Swati | 87000 | Profit and loss a/c | 57000 |
| Sanskar | 46000 |  |  |
|  | 240000 |  | 240000 |

On 30-62014 Dev died. According to the partnership agreement Dev was entitled to: Interest on capital @12\% p.a..

His share of profit till the date of his death was to be calculated on the basis of the average profits of the last four years.

His share of Goodwill to be calculated on the basis of the 3 years purchase of the average profits of the last four years.

The profits of the last four years were as follows:

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| $2010-11$ | 204000 |
| :--- | :--- |
| $2011-12$ | 180000 |
| $2012-13$ | 90000 |
| $2013-14$ (Loss) | 57000 |

On 1-4-2014 Dev withdrew Rs 15000 to pay for his medical bills.
Prepare Dev's account to be rendered to his executors.

## SOLUTION

Dev' S Capital Account

| Particulars | Amount | Particulars | Amount |
| :--- | :--- | :--- | :--- |
| To Drawings | 15000 | By Bal | 77000 |
| To P/L A/c | 22800 | By P/l Suspense | 10425 |
| To Dev's executor | 177035 | By IOC | 2310 |
|  |  | By Swati | 83400 |
|  |  | By Sanskar | 41700 |
|  | 214835 |  | 214835 |

14. Anil, Jatin and Ramesh were sharing profit in the ratio of 2:1:1. Their Balance Sheet as at 31.12.2001 stood as follows:-

| Liabilities | Rs. | Assets | Rs. |
| :--- | :--- | :--- | :--- |
| Creditors | 24,400 | Cash | $\mathbf{1 , 0 0 , 0 0 0}$ |
| Bank Loan | 10,000 | Debtors 20000 <br> Less : Provision $\underline{1600}$ | 18,400 |
| Profit and Loss A/c | 18,000 | Stock | 10,000 |
| Bills Payable | 2,000 | Building | 20,000 |
| Anil's Capital | 50,000 | Investment | 14,000 |

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| Jatin's Capital | 40,000 | Goodwill | 22,000 |
| :--- | :--- | :--- | :--- |
| Ramesh's Capital | 40,000 |  |  |
|  | $\mathbf{1 , 8 4 , 4 0 0}$ |  | $\mathbf{1 , 8 4 , 4 0 0}$ |

Ramesh died on 31st March 2002. The following adjustments were agreed upon-
(a) Building be appreciated by Rs. 2,000
(b) Investments be valued at $10 \%$ less than the book value.
(c) All debtors (except 20\% which are considered as doubtful) were good.
(d) Stock be increased by $10 \%$
(e) Goodwill is valued at 2 years' purchase of the average profit of the past five years.
(f) Ramesh's share of profit to the death be calculated on the basis of the profit of the preceding year. Profit for the years 1997, 1998, 1999 and 2000 were Rs. 26,000, Rs. 22,000, Rs. 20,000 and Rs. 24,000 respectively.

Prepare revaluation account, partner's capital Account, Ramesh 's Executors' Account and Balance sheet immediately after Ramesh's death assuming that Rs. 18, 425 be paid immediately to his executors and balance to b left to the Ramesh's Executor's Account

## Revaluation Account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| To Investment A/c | 1,400 | By Building A/c | 2,000 |
| To Provision for doubtful debt <br> A/c | 2,400 | By Stock A/c | 1,000 |
|  |  | By Loss transferred to |  |


|  |  | By Anil's Capital A/c | 400 |
| :--- | :--- | :--- | :--- |
|  |  | By Jatin's Capital A/c | 200 |
|  |  | By Ramesh's Capital <br> A/c | 200 |
|  | 3800 |  | 3800 |

## Partners Capital Accounts

| Particulars | Anil | Jatin | Ram <br> esh | Particulars | Anil | Jatin | Rame <br> sh |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| To Goodwill A/c | 11000 | 5500 | 5500 | By Balance b/d | $\begin{aligned} & 5000 \\ & 0 \end{aligned}$ | $\begin{aligned} & 4000 \\ & 0 \end{aligned}$ | 40000 |
| To Ramesh Capital A/c | 7333 | 3667 |  | By Profit and Loss $\mathrm{A} / \mathrm{c}$ | 9000 | 4500 | 4500 |
| To Revaluation A/c (Loss) | 400 | 200 | 200 | By Profit \& Loss Susp A/c |  |  | 1125 |
| To Ramesh's Executor's A/c |  |  | $\begin{aligned} & 5092 \\ & 5 \end{aligned}$ | By Anil's Capital A/c |  |  | 7333 |
| To Balance c/d | 40,267 | $\begin{aligned} & \hline 35,1 \\ & 33 \end{aligned}$ | ---- | By Jatin's Capital A/c |  |  | 3667 |
|  | 59,000 | $\begin{aligned} & 41,5 \\ & 00 \end{aligned}$ | $\begin{aligned} & 56,62 \\ & 5 \end{aligned}$ |  | $\begin{aligned} & 59,00 \\ & 0 \end{aligned}$ | $\begin{aligned} & 41,50 \\ & 0 \end{aligned}$ | 56,625 |

Ramesh's Executor's account

| Particulars | Rs. | Particulars | Rs. |
| :--- | :--- | :--- | :--- |
| To Cash Account | 18425 | By Ramesh's Capital <br> account | 50925 |
| To Balance c/d | 32500 |  |  |


|  | 50925 |  | 50925 |
| :--- | :--- | :--- | :--- |

Balance sheet

| Liabilities | Rs. | Assets | Rs. |
| :--- | :--- | :--- | :--- |
| Bank Loan | 10,000 | Cash | 81,575 |
| Creditors | 20,400 | Debtors 20000 <br> Less Provision 4000 | 16000 |
| Bills Payable | 2,000 | Stock | 11000 |
| Ramesh's Executor's Loan | 32,500 | Building | 22000 |
| Anil's Capital | 40,267 | Investments | 12600 |
| Jatin's Capital | 35,133 | Profit \&Loss Suspense A/c | 1125 |
|  | $1,44,300$ |  |  |

