

Chapter 7- Dissolution of Partnership Firm

Question 1

Land and Building (book value) ₹ 1,60,000 sold for ₹ 3,00,000 through a broker who charged 2% commission on the deal. Journalise the transaction, at the time of dissolution of the firm.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
	Cash or Bank A/c	Dr.		2,94,000	
	To Realisation A/c				2,94,000
	(Being sold land and building amount after giving broker 2% commission)				

Question 2

Pass Journal entries in the following cases?

- (a) Expenses of realisation ₹ 1,500.
- (b) Expenses of realisation ₹ 600 but paid by Mohan, a partner.
- (c) Mohan, one of the partners of the firm, was asked to look into the dissolution of the firm for which he was allowed a commission of ₹ 2,000.
- (d) Motor car of book value ₹ 50,000 taken over by creditors of the book value of ₹ 40,000 in full settlement.

Solution:

Journal					
Sl. no.	Particulars		L.F.	Debits ₹	Credit ₹
	Realisation A/c	Dr.		1,500	
(a)	To Cash A/c				1,500
	(Being realisation amount paid)				
	Realisation A/c	Dr.		600	
(b)	To Mohan's Capital A/c				600
	(Being paid realisation expenses by Mohan)				
	Realisation A/c	Dr.		2,000	
(c)					

	To Mohan's capital A/c			2,000
	(Being commission given to Mohan on firm dissolution)			
(d)	No entry			
	Here, no journal entry is passed as both the motor car and creditors accounts are already transferred to Realisation A/c			

Question 3

Pass Journal entries in the following cases?

(a) Expenses of realisation ₹ 1,500.

(b) Expenses of realisation ₹ 600 but paid by Mohan, a partner.

(c) Mohan, one of the partners of the firm, was asked to look into the dissolution of the firm for which he was allowed a commission of ₹ 2,000.

(d) Motor car of book value ₹ 50,000 taken over by creditors of the book value of ₹ 40,000 in full settlement.

Solution:

Journal Book				
Sl. no.	Particulars	L.F.	Debits ₹	Credit ₹
(a)	Rahul's Capital A/c	Dr.	15,000	
	To Cash A/c			
	(Being Rahul paid realisation expenses)			
(b)	Realisation A/c	Dr.	25,000	
	To Ramesh's Capital A/c			25,000
	(Being remuneration given to Ramesh on taking dissolution responsibility)			
(c)	Realisation A/c	Dr.	20,000	
	To Anuj's Capital A/c			20,000
	(Being remuneration given to Anuj)			
	Anuj's Capital A/c Dr.		5,000	
	To Bank A/c			5,000
	(Being realisation amount paid by the firm)			

on Anuj's behalf)				
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Question 4

Pass Journal entries for the following:

(a) Realisation expenses amounted to ₹ 10,000 were paid by the firm on behalf of Alok, a partner, with whom it was agreed at ₹ 7,500.

(b) Realisation expenses amounted to ₹ 5,000. It was agreed that the firm will pay ₹ 2,000 and balance by Ravinder, a partner.

(c) Dissolution expenses amounted to ₹ 10,000 were paid by Amit, a partner, on behalf of the firm.

Solution:

Journal					
Sl.No.	Particulars	L.F.	Debits ₹	Credit ₹	
(a)	Realisation A/c	Dr.	7,500		
	To Alok's Capital A/c			7,500	
	(Being remuneration given to Alok)				
	Alok's capital A/c	Dr.	10,000		
	To Bank A/c			10,000	
	(Being expenses amount paid by the firm on Alok's behalf)				
	Or				
	Realisation A/c	Dr.	7,500		
	Alok's Capital A/c	Dr.	2,500		
	To Bank A/c			10,000	
(Being realisation expenses paid)					
(b)	Realisation A/c	Dr.	5,000		
	To Ravinder's Capital A/c			3,000	
	To Bank A/c			2,000	
	(Being realisation expenses paid)				
(c)	Realisation A/c	Dr.	10,000		
	To Amit's Capital A/c			10,000	
	(Being realisation expenses paid by Amit on firm's behalf)				

Question 5

Record necessary Journal entries in the following cases:

(a) Creditors worth ₹ 85,000 accepted ₹ 40,000 as cash and Investment worth ₹ 43,000, in full settlement of their claim.

(b) Creditors were ₹ 16,000. They accepted Machinery valued at ₹ 18,000 in settlement of their claim.

(c) Creditors were ₹ 90,000. They accepted Building valued at ₹ 1,20,000 and paid cash to the firm ₹ 30,000.

Solution:

Journal					
	Particulars		L.F.	Amount ₹	Amount ₹
(a)	Realisation A/c	Dr.		40,000	
	To Cash A/c				40,000
	(Being creditors worth ₹ 85,000 accepted ₹ 40,000 as cash and investment worth ₹ 43,000 in full settlement)				
(b)	No Entry				
	(Creditors accepted ₹16,000 in full settlement for Machinery worth ₹18,000. No entry was made as asset and liability are transferred to the Realisation A/c)				
(c)	Cash A/c	Dr.		30,000	
	To Realisation A/c				30,000
	(Being creditors accepted ₹ 90,000 as Building worth ₹ 1,20,000. Paid cash ₹ 30,000 to firm after claim settlement)				

Question 6

Pass Journal entries for the following at the time of dissolution of a firm:

(a) Sale of Assets – ₹ 50,000.

(b) Payment of Liabilities – ₹ 10,000.

(c) A commission of 5% allowed to Mr. X, a partner, on sale of assets.

(d) Realisation expenses amounted to ₹ 15,000. The firm had agreed with Amrit, a partner, to reimburse him up to ₹ 10,000.

(e) Z, an old customer, whose account for ₹ 6,000 was written off as bad in the previous year, paid 60% of the amount written off.

(f) Investment (Book Value ₹ 10,000) realised at 150%.

Solution:

Journal				
Sl.No.	Particulars	L.F.	Debits ₹	Credit ₹
(a)	Cash A/c	Dr.	50,000	
	To Realisation A/c			50,000
	(Being assets sold for cash)			
(b)	Realisation A/c	Dr.	10,000	
	To Cash A/c			10,000
	(Being payment made for liabilities)			
(c)	Realisation A/c	Dr.	2,500	
	To X's Capital A/c			2,500
	(Being allowed commission of 5% to Mr. X's on asset sale)			
(d)	Realisation A/c	Dr.	10,000	
	To Amrit's Capital A/c			10,000
	(Being allowed remuneration to Amrit on realisation A/c)			
	Amrit's Capital A/c	Dr.	15,000	
	To Cash A/c			15,000
	(Being realisation amount paid by firm on Amrit's behalf)			
	Or			
	Realisation A/c	Dr.	10,000	
	Amrit's Capital A/c	Dr.	5,000	
	To Cash A/c			15,000
(Being realisation expenses paid)				
(e)	Cash A/c	Dr.	3,600	
	To Realisation A/c			3,600
	(Being bad debt of 60% paid by an old customer Z)			
(f)	Cash A/c	Dr.	15,000	
	To Realisation A/c			15,000
	(Being investments realised at 150%)			

Question 7

Pass Journal entries for the following transactions at the time of dissolution of the firm:

- (a) Loan of ₹ 10,000 advanced by a partner to the firm was refunded.
- (b) X, a partner, takes over an unrecorded asset (Typewriter) at ₹ 300.
- (c) Undistributed balance (Debit) of Profit and Loss Account ₹ 30,000. The firm has three partners X,Y and Z.
- (d) Assets of the firm realised ₹ 1,25,000.
- (e) Y who undertakes to carry out the dissolution proceedings is paid ₹ 2,000 for the same.
- (f) Creditors are paid ₹ 28,000 in full settlement of their account of ₹ 30,000.

Solution:

Journal					
Sl.No.	Particulars		L.F.	Debit ₹	Credit ₹
(a)	Partner's Loan A/c	Dr.		10,000	
	To Bank A/c				10,000
	(Being loan refunded)				
(b)	X's Capital A/c	Dr.		300	
	To Realisation A/c				300
	(Being unrecorded assets taken over)				
(c)	X's Capital A/c	Dr.		10,000	
	Y's Capital A/c	Dr.		10,000	
	Z's Capital A/c	Dr.		10,000	
(d)	To Profit & Loss A/c				30,000
	(Being undistribution balance of Profit and Loss A/c)				
	Bank A/c	Dr.		1,25,000	
(e)	To Realisation A/c				1,25,000
	(Being assets realized)				
	Realisation A/c	Dr.		2,000	
	To Y's Capital A/c				2,000
	(Being dissolution proceedings amount paid)				
(f)	Realisation A/c	Dr.		28,000	
	To Bank A/c				28,000
	(Being amount paid to creditors)				

Question 8

Pass necessary Journal entries for the following transactions on the dissolution of the firm P and Q after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account:

- (a) Bank Loan ₹ 12,000 was paid.
- (b) Stock worth ₹ 16,000 was taken over by partner Q.
- (c) Partner P paid a creditor ₹ 4,000.
- (d) An asset not appearing in the books of accounts realised ₹ 1,200.
- (e) Expenses of realisation ₹ 2,000 were paid by partner Q.
- (f) Profit on realisation ₹ 36,000 was distributed between P and Q in 5 : 4 ratio.

Solution:

Journal					
Sl.No.	Particulars		L.F.	Debit ₹	Credit ₹
(a)	Realisation A/c	Dr.		12,000	
	To Bank A/c				12,000
	(Being bank loan paid)				
(b)	Q's Capital A/c	Dr.		16,000	
	To Realisation A/c				16,000
	(Being stock taken over by Q)				
(c)	Realisation A/c	Dr.		4,000	
	To P's Capital A/c				4,000
	(Being amount paid to creditors by P)				
(d)	Bank A/c	Dr.		1,200	
	To Realisation A/c				1,200
	(Being realised unrecorded assets)				
(e)	Realisation A/c	Dr.		2,000	
	To Q's Capital A/c				2,000
	(Being Q paid realisation expenses)				
(f)	Realisation A/c	Dr.		36,000	
	To P's Capital A/c				20,000
	To Q's Capital A/c				16,000
	(Being realisation profit)				

	distributed)		
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Question 9

X, Y and Z are partners in a firm sharing profits in the ratio of 3 : 2 : 1 respectively. The firm was dissolved on 1st March, 2013. After transferring assets (other than cash) and third party liabilities to the 'Realisation Account' you are provided with the following information:

- (a) There was a balance of ₹ 18,000 in the firm's Profit and Loss Account.
- (b) There was an unrecorded bike of ₹ 50,000 which was taken over by X.
- (c) Creditors of ₹ 5,000 were paid ₹ 4,000 in full settlement of accounts.

Pass necessary Journal entries for the above at the time of dissolution of firm.

Solution:

Journal				
Sl.No.	Particulars	L.F.	Debit ₹	Credit ₹
1.	Profit and Loss A/c*	Dr.	18,000	
	To X's Capital A/c			9,000
	To Y's Capital A/c			6,000
	To Z's Capital A/c			3,000
	(Being Profit & Loss A/c balance divided between the partners)			
2.	X's Capital A/c	Dr.	50,000	
	To Realisation A/c			50,000
	(Being unrecorded asset taken over by X)			
3.	Realisation A/c	Dr.	4,000	
	To Bank A/c			4,000
	(Being paid creditors ₹ 4,000 as full settlement against their claim of ₹ 5,000)			

Question 10

Pass necessary Journal entries to record the following unrecorded assets and liabilities in the books of Paras and Priya:

- (a) There was old furniture in the firm which had been written off completely in the books. It was sold for ₹ 3,000.
- (b) Ashish, an old customer whose account for ₹ 1,000 was written off as bad in the previous year, paid 60%, of the amount.

(c) Paras agreed to takeover the firm's goodwill (not recorded in the books of the firm), at a valuation of ₹ 30,000.

(d) There was an old typewriter which had been written off completely from the books. It was estimated to realise ₹ 400. It was taken by Priya at an estimated price of less than 25%.

(e) There were 100 shares of ₹ 10 each in Star Limited acquired at a cost of ₹ 2,000 which had been written-off completely from the books. These shares are valued @ ₹ 6 each and divided among the partners in their profit-sharing ratio.

Solution:

Journal				
Sl.No.	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Cash/Bank A/c	Dr.	3,000	
	To Realisation A/c			3,000
	(Being unrecorded old furniture sold)			
(b)	Cash/Bank A/c	Dr.	600	
	To Realisation A/c			600
	(Being previous year bad debts written off now recovered)			
(c)	Paras's Capital A/c	Dr.	30,000	
	To Realisation A/c			30,000
	(Being unrecorded firm's goodwill taken over by Paras)			
(d)	Priya's Capital A/c	Dr.	300	
	To Realisation A/c			300
	(Being written-off typewriter was taken over at 25% less price by Priya)			
(e)	Paras's Capital A/c	Dr.	300	
	Priya's Capital A/c	Dr.	300	
	To Realisation A/c			600
	(Being written-off 100 shares at ₹ 10 each taken by Paras and Priya at ₹ 6 each)			

Question 11

Aman and Harsh were partners in a firm. They decided to dissolve their firm. Pass necessary Journal entries for the following after various assets (other than Cash and Bank) and third party liabilities have been transferred to Realisation Account:

(a) There was furniture worth ₹ 50,000. Aman took over 50% of the furniture at 10% discount and the remaining furniture was sold at 30% profit on book value.

(b) Profit and Loss Account was showing a credit balance of ₹ 15,000 on the date of dissolution.

(c) Harsh's loan of ₹ 6,000 was discharged at ₹ 6,200.

(d) The firm paid realisation expenses amounting to ₹ 5,000 on behalf of Harsh who had to bear these expenses.

(e) There was a bill for 1,200 under discount. The bill was received from Soham who proved insolvent and a first and final dividend of 25% was received from his estate.

(f) Creditors, to whom the firm owed ₹ 6,000, accepted stock of ₹ 5,000 at a discount of 5% and the balance in cash.

Solution:

Journal				
Sl.No.	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Aman's Capital A/c	Dr.	22,500	
	Bank A/c	Dr.	32,500	
	To Realisation A/c			55,000
	(Being assets sold)			
(b)	Profit & Loss A/c	Dr.	15,000	
	To Aman's Capital A/c			7,500
	To Harsh's Capital A/c			7,500
	(Being credit balance of Profit & Loss A/c distribution)			
(c)	Harsh's Loan A/c	Dr.	6,000	
	Realisation A/c	Dr.	200	
	To Bank A/c			6,200
	(Being discharge of loan)			
(d)	Harsh's Capital A/c	Dr.	5,000	
	To Bank A/c			5,000
	(Being amount paid by firm on behalf of Harsh)			
(e)	Bank A/c	Dr.	300	
	To Realisation A/c			300
	(Being amount received)			
	Realisation A/c	Dr.	1,200	
	To Bank A/c			1,200
	(Being amount paid)			

(f)	Realisation A/c	Dr.	1,250	
	To Bank A/c			1,250
	(Being amount paid to creditors)			

Question 12

Rohit, Kunal and Sarthak are partners in a firm. They decided to dissolve their firm. Pass necessary Journal entries for the following after various assets (other than Cash and Bank) and the third party liability have been transferred to Realisation Account:

- (a) Kunal agreed to pay off his wife's loan of ₹ 6,000.
- (b) Total Creditors of the firm were ₹ 40,000. Creditors worth ₹ 10,000 were given a piece of furniture costing ₹ 8,000 in full and final settlement. Remaining Creditors allowed a discount of 10%.
- (c) Rohit had given a loan of ₹ 70,000 to the firm which was duly paid.
- (d) A machine which was not recorded in the books was taken over by Kunal at ₹ 3,000, whereas its expected value was ₹ 5,000.
- (e) The firm had a debit balance of ₹ 15,000 in the Profit and Loss Account on the date of dissolution.
- (f) Sarthak paid the realisation expenses of ₹ 16,000 out of his private funds, who was to get a remuneration of ₹ 15,000 for completing the dissolution process and was responsible to bear all the realisation expenses.

Solution:

Journal				
Date	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Realisation A/c	Dr.	6,000	
	To Kunal's Capital A/c			6,000
	(Being Kunal paying off his wife's loan)			
(b)	Realisation A/c	Dr.	27,000	
	To Cash A/c			27,000
	(Being creditors amount paid off @ 10% discount)			
(c)	Rohit's Loan A/c	Dr.	70,000	
	To Cash A/c			70,000
	(Being loan paid by the firm)			

(d)	Kunal's Capital A/c	Dr.	3,000	
	To Realisation A/c			3,000
	(Being asset taken over by Kunal)			
(e)	Rohit's Capital A/c	Dr.	5,000	
	Kunal's Capital A/c	Dr.	5,000	
	Sarthak's Capital A/c	Dr.	5,000	
	To Profit and Loss A/c			15,000
	(Being Loss distribution)			
(f)	Realisation A/c	Dr.	15,000	
	To Sarthak's Capital A/c			15,000
	(Being ₹15,000 remuneration paid for completing dissolution process)			

Question 13

Book Value of assets (other than cash and bank) transferred to Realisation Account is ₹ 1,00,000. 50% of the assets are taken over by a partner Atul, at a discount of 20%; 40% of the remaining assets are sold at a profit of 30% on cost; 5% of the balance being obsolete, realised nothing and remaining assets are handed over to a Creditor, in full settlement of his claim.

You are required to record the Journal entries for realisation of assets.

Solution:

Journal				
Date	Particulars	L.F.	₹	₹
	Realisation A/c	Dr.	1,00,000	
	To Sundry Assets A/c			1,00,000
	(Being assets apart from cash and bank transferred to Realisation A/c)			
	Atul's Capital A/c	Dr.	40,000	
	To Realisation A/c			40,000
	(Being Atul took ₹ 1,00,000 of assets at discount rate of 20%)			
	Bank A/c	Dr.	26,000	
	To Realisation A/c			26,000
	(₹ 20,000 worth assets, i.e. 40% of ₹ 50,000 are sold at 30% a profit) [$50,000 \times 40/100 \times 30/130$]			
	No obsolete assets will be entered for the creditors assets in the full settlement as it is already			

transferred to the Realisation A/c)

Question 14

Lal and Pal were partners in a firm sharing profits in the ratio of 3 : 7. On 1st April, 2015 their firm was dissolved. After transferring assets (other than cash) and outsider's liabilities to Realisation Account, you are given the following information:

(a) A creditor of ₹ 3,60,000 accepted machinery valued at ₹ 5,00,000 and paid to the firm ₹ 1,40,000.

(b) A second creditor for ₹ 50,000 accepted stock at ₹ 45,000 in full settlement of his claim.

(c) A third creditor amounting to ₹ 90,000 accepted ₹ 45,000 in cash and investments worth ₹ 43,000 in full settlement of his claim.

(d) Loss on dissolution was ₹ 15,000.

Pass necessary Journal entries for the above transactions in the books of firm assuming that all payments were made by cheque.

Solution:

Journal Entry				
Date	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Bank A/c	Dr.	1,40,000	
	To Realisation A/c			1,40,000
	(Being a creditor accepted machinery @ ₹ 3,60,000 valued at ₹ 5,00,000 and paid firm ₹ 1,40,000)			
(b)	No entry			
(c)	Realisation A/c	Dr.	45,000	
	To Cash A/c			45,000
	(Being a third creditor amounting ₹ 90,000 accepted cash of ₹ 45,000 and ₹ 43,000 worth investments in full settlement of his claim)			
(d)	Lal's Capital A/c	Dr.	4,500	
	Pal's Capital A/c	Dr.	10,500	
	To Realisation A/c			15,000
	(Being dissolution loss transferred to partners' capital accounts)			

Note: When creditor take over the asset than no entry will be made

Question 15

Pass the Journal entries for the following transactions on the dissolution of the firm of P and Q after various assets (other than cash) and outside liabilities have been transferred to Realisation Account:

- (a) Stock ₹ 2,00,000. 'P' took over 50% of stock at a discount of 10%. Remaining stock was sold at a profit of 25% on cost.
- (b) Debtors ₹ 2,25,000. Provision for Doubtful Debts ₹ 25,000. ₹ 20,000 of the book debts proved bad.
- (c) Land and Building (Book value ₹ 12,50,000) sold for ₹ 15,00,000 through a broker who charged 2% commission.
- (d) Machinery (Book value ₹ 6,00,000) was handed over to a creditor at a discount of 10%.
- (e) Investment (Book value ₹ 60,000) realised at 125%.
- (f) Goodwill of ₹ 75,000 and prepaid fire insurance of ₹ 10,000.
- (g) There was an old furniture in the firm which had been written off completely in the books. It was sold for ₹ 10,000.
- (h) 'Z' an old customer whose account for ₹ 20,000 was written off as bad in the previous year, paid 60%.
- (i) 'P' undertook to pay Mrs. P's loan of ₹ 50,000.
- (j) Trade creditors ₹ 1,60,000. Half of the trade creditors accepted Plant and Machinery at an agreed valuation of ₹ 54,000 and cash in full settlement of their claims after allowing a discount of ₹ 16,000. Remaining trade creditors were paid 90% in final settlement.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
(a)	P's Capital A/c	Dr.		90,000	
	Bank A/c	Dr.		1,25,000	
	To Realisation A/c				2,15,000
	(Being stock sold)				
(b)	Bank A/c	Dr.		2,05,000	
	To Realisation A/c				2,05,000
	(Being debtors realized)				
(c)	Bank A/c	Dr.		14,70,000	
	To Realisation A/c				14,70,000
	(Being land and building sold)				

(d)	No Entry				
(e)	Bank A/c	Dr.		75,000	
	To Realisation A/c				75,000
	(Being investment realized)				
(f)	No Entry				
(g)	Bank A/c	Dr.		10,000	
	To Realisation A/c				10,000
	(Being written-off furniture sold)				
(h)	Bank A/c	Dr.		12,000	
	To Realisation A/c				12,000
	(Being recovered bad debts)				
(i)	Realisation A/c	Dr.		50,000	
	To P's Capital A/c				50,000
	(Being P paid wife's loan)				
(j)	Realisation A/c	Dr.		82,000	
	To Bank A/c (10,000 + 72,000)				82,000
	(Being paid creditors)				

Question 16

What Journal entries would be passed for discharge of following unrecorded liabilities on the dissolution of a firm of partners A and B:

(a) There was a contingent liability in respect of bills discounted but not matured of ₹ 18,500. An acceptor of one bill of ₹ 2,500 became insolvent and fifty paise in a rupee was recovered. The liability of the firm on account of this bill discounted and dishonoured has not so far been recorded.

(b) There was a contingent liability in respect of a claim for damages for ₹ 75,000, such liability was settled for ₹ 50,000 and paid by the partner A.

(c) Firm will have to pay ₹ 10,000 as compensation to an injured employee, which was a contingent liability not accepted by the firm.

(d) ₹ 5,000 for damages claimed by a customer has been disputed by the firm. It was settled at 70% by a compromise between the customer and the firm.

Solution:

Journal				
Date	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Bank A/c	Dr.	1,250	
	To Realisation A/c			1,250

	(Being amount received)				
	Realisation A/c				
	To Bank A/c	Dr.		2,500	
	(Being liability discharged)				2,500
(b)	Realisation A/c	Dr.		50,000	
	To A's Capital A/c				50,000
	(Being liability paid by partner A)				
(c)	Realisation A/c	Dr.		10,000	
	To Bank A/c				10,000
	(Being liability discharged)				
(d)	Realisation A/c	Dr.		3,500	
	To Bank A/c				3,500
	(Being liability discharged)				

Question 17

What Journal entries would be passed for discharge of following unrecorded liabilities on the dissolution of a firm of partners A and B:

(a) There was a contingent liability in respect of bills discounted but not matured of ₹ 18,500. An acceptor of one bill of ₹ 2,500 became insolvent and fifty paise in a rupee was recovered. The liability of the firm on account of this bill discounted and dishonoured has not so far been recorded.

(b) There was a contingent liability in respect of a claim for damages for ₹ 75,000, such liability was settled for ₹ 50,000 and paid by the partner A.

(c) Firm will have to pay ₹ 10,000 as compensation to an injured employee, which was a contingent liability not accepted by the firm.

(d) ₹ 5,000 for damages claimed by a customer has been disputed by the firm. It was settled at 70% by a compromise between the customer and the firm.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
(a)	Realisation A/c	Dr.		12,000	
	To Dharam's Capital A/c				12,000
	(Being remuneration paid)				
(b)	Realisation A/c	Dr.		15,000	
	To Jay's Capital A/c				15,000
	(Being remuneration paid)				

	Jay's Capital A/c	Dr.	16,000	
	To Vijay's Capital A/c			16,000
	(Being expenses paid by Vijay but borne by Jay)			
(c)	Realisation A/c	Dr.	7,000	
	To Deepa's Capital A/c			7,000
	(Being remuneration paid)			
	Deepa's Capital A/c	Dr.	6,000	
	To Bank A/c			6,000
	(Being expenses paid by firm)			
(d)	No Entry			
(e)	Realisation A/c	Dr.	10,000	
	To Jeev's Capital A/c			10,000
	(Being remuneration paid)			
	Jeev's Capital A/c	Dr.	12,000	
	To Bank A/c			12,000
	(Being expenses paid by firm)			
(f)	No Entry			