

- a) The assets were Realized gradually as follows.

| Particulars | Amount |
|--------------------|--------|
| First Realization | 65,000 |
| Second Realization | 42,000 |
| Third Realization | 20,000 |

- b) The Realization expenses amounted to ₹ 20,000.

Prepare.

- i) Statement showing surplus capital.
- ii) Statement of distribution of cash.

- Q.4** Hemant, Pramod and Nikhil were partner's sharing profits and losses in the ratio of 3: 2: 1. Their Balance Sheet as on 31st March 2017 was as follows. **(14)**

Balance sheet as on 31st March 2017

| Liabilities | ₹ | Assets | ₹ |
|-------------------|---------------|---------------------|---------------|
| Partners' capital | | Land and Building | 20,000 |
| Hemant | 25,000 | Plant and Machinery | 15,000 |
| Pramod | 10,000 | Stock in Trade | 13,000 |
| Nikhil | 15,000 | Debtors | 22,000 |
| General Reserve | 12,000 | Furniture | 5,000 |
| Creditors | 10,000 | Cash in hand | 2,000 |
| Bills payable | 5,000 | | |
| Total | 77,000 | | 77,000 |

The partners agreed to sell their business to a limited company namely NP Ltd.

- a) The company took the following assets at the values stated below:

| Particulars | Amount |
|---------------------|--------|
| Land and Building | 22,000 |
| Plant and Machinery | 12,000 |
| Debtors | 20,000 |
| Stock | 10,000 |
| Furniture | 6,000 |
| Goodwill | 10,000 |

- b) The limited company paid ₹ 28,000 in cash and balance in Equity Shares of ₹100 each.

- c) The creditors were paid off at a discount of 2.5%.

- d) Realization expenses amounted to ₹ 2,250.

Prepare:

- i) Realization A/C
- ii) Partners' capital A/C
- iii) Cash A/C
- iv) New company A/C

Also show the working of purchase consideration.

- Q.5** Write short notes on **ANY THREE** of the following: **(12)**

- a) Conversion of partnership firm
- b) Accounting standard-I
- c) Reasons of dissolution of partnership firm
- d) Purchase consideration
- e) Accounting standard-II