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## I.P.C.C.                      PIECEMEAL DISTRIBUTION                      ACCOUNTS

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**Q.1.** A, B and C are partners in a firm. They divide profits and losses in the ratio of 5 : 3 : 2. On dissolution of firm the Balance Sheet as on 31<sup>st</sup> December, 2002 was as follows :

Liabilities	Rs.		Assets	Rs.
Creditors		40,000	Premises	40,000
A's Loan Account		10,000	Plant & Machinery	30,000
Capital Accounts :			Stock	30,000
A	50,000		Debtors	60,000
B	40,000			
C	20,000	1,10,000		
		<b>1,60,000</b>		<b>1,60,000</b>

Assets realised as follows :

	Rs.
Feb. 1, 2003	30,000
April 1, 2003	73,000
June 1, 2003	47,000

How the amount realised shall be distributed. Prepare a statement in this respect.

**Q.2.** Orange, Apple and Banana were in partnership sharing Profits and Losses in the ratio of 3 : 2 : 1. They decided to dissolve the partnership and to distribute the sale proceeds as and when realised.

The partners' capitals were : Orange Rs.10,000, Apple Rs.9,000 and Banana Rs.5,000. Apple's loan (Cr.) amounted to Rs. 3,000.

Sundry creditors amounted to Rs.6,000.

The assets were realised as under :

	Stock (Rs.)	Furniture (Rs.)	Debtors (Rs)	Expenses (Rs.)
July	3,000	300	2,000	500
August	2,000	100	1,500	200
September	2,500	--	2,000	300
October	3,000	--	1,500	200

You are required to draw up a statement showing the distribution of cash and the Journal Entry for closing finally the Capital Accounts of the Partners.

## IDEAL / I.P.C.C. / ACCOUNTS

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- Q.3.** A, B and C are three partners sharing profit and loss in the ratio of 5 : 3 : 2. Their capitals are : A – Rs.40,000, B – Rs. 60,000 and C- Rs.20,000 Calculate surplus capitals of the partners and decide the basis of distribution among the partners.
- Q.4.** A, B and C are partners sharing profits and losses in the ratio of 5 : 3 : 2. Their capitals were Rs.9,600; Rs.6,000 and Rs.8,400 respectively.

After paying creditors, the liabilities and assets of the firm were :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Liability for interest on loans from : Spouses of partners	2,000	Investments	1,000
Partners	1,000	Furniture	2,000
		Machinery	1,200
		Stock	4,000

The assets realised in full in the order in which they are listed above. B is insolvent.

You are required to prepare a statement showing the distribution of cash as and when available applying maximum possible loss procedure.

