

① Payment Sequence

- (a) Expenses.
- (b) Secured loans
- (c) Unsecured liabilities.
- (d) Partners loan
- (e) Partner's remuneration.
- (f) Partner's Capital.

Expenses.

If Expenses are given with realisation



Subtract from realisation & balance is available for distribution

If Expenses are given on estimation Basis



Prepare a provision in advance



Exp = provision



X

Exp < provision

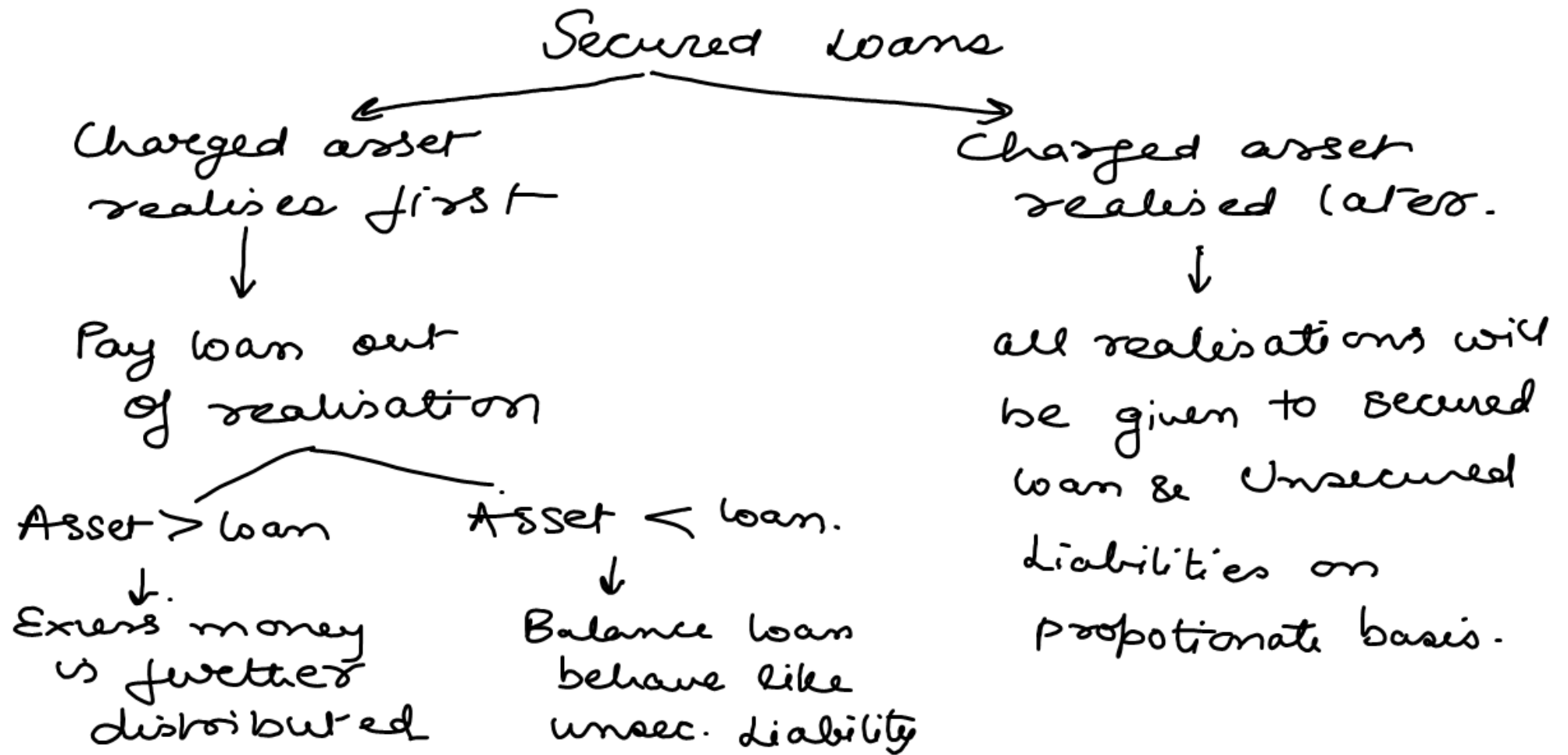


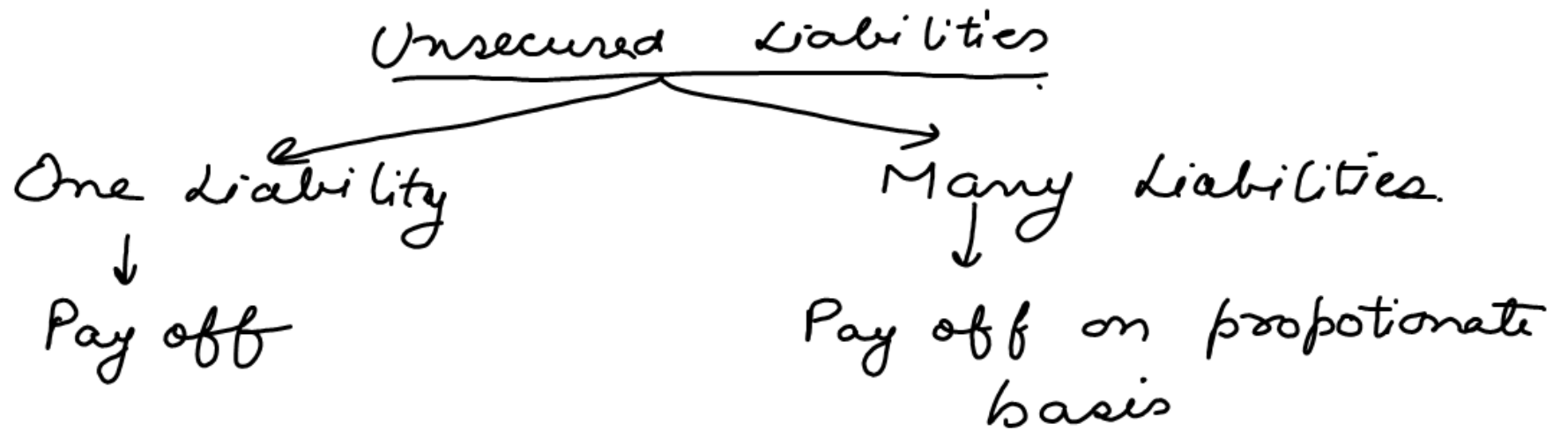
Excess amount is distributed

Exp > provision



Take out deficit from ^{same day} next realisation.





* If any CoS offer discount, then we pay off only the balance. Discount has no treatment.

Partner's remuneration will be paid off in the particular column, it will NOT touch the Capital column of the Statement.

$$\text{Partner Capital} = \left\{ \begin{array}{l} \text{Partner Cap balance} \\ \pm \text{Current a/c bal} \\ + \text{Reserves in PSR} \\ - \text{Fictitious assets in PSR} \\ - \text{drawings} \end{array} \right.$$

Partner Capital is given the amount in the ratio of

- (a) Highest Relative Capital Method (HRCM)
or Proportionate Capital Method (PCM)
- (b) Maximum Loss Method (MLM)

Statement of Piecemeal Distribution (HRLM)

		Crs.	North loan	East	South	North	
1/2	of Cash	5940	10320	3000	38700	10680	11100
	- Reserve for Expense	2700.					
	<u>Crs.</u>	<u>3240</u>	3240.				
15/1	Cash realized	10380	7080				
	- Crs (10080 - 3240)	6840	6840				
		<u>3540</u>	<u>240</u>				
	- North loan	3000	(disc)	<u>3000</u>			
	<u>East</u>	<u>540</u>		-	540	-	-
					38160	10680	11100

		£	S	W.
20/2.	Cash 27900 - East (5400-540) 4860 <hr/> East & North 23040.	38160. 4860 17280	10680	11100 5760
23/3	Cash 3600 - E, S, N (3:2:1)	16020 1800	10680 1200	5340 600
29/3.	Excess out of Reserves (2700-1920) = 780 (3:2:1)	14220 390	9480 260	4740 130.
15/4	North took 9000	13830	9220	4610 1260

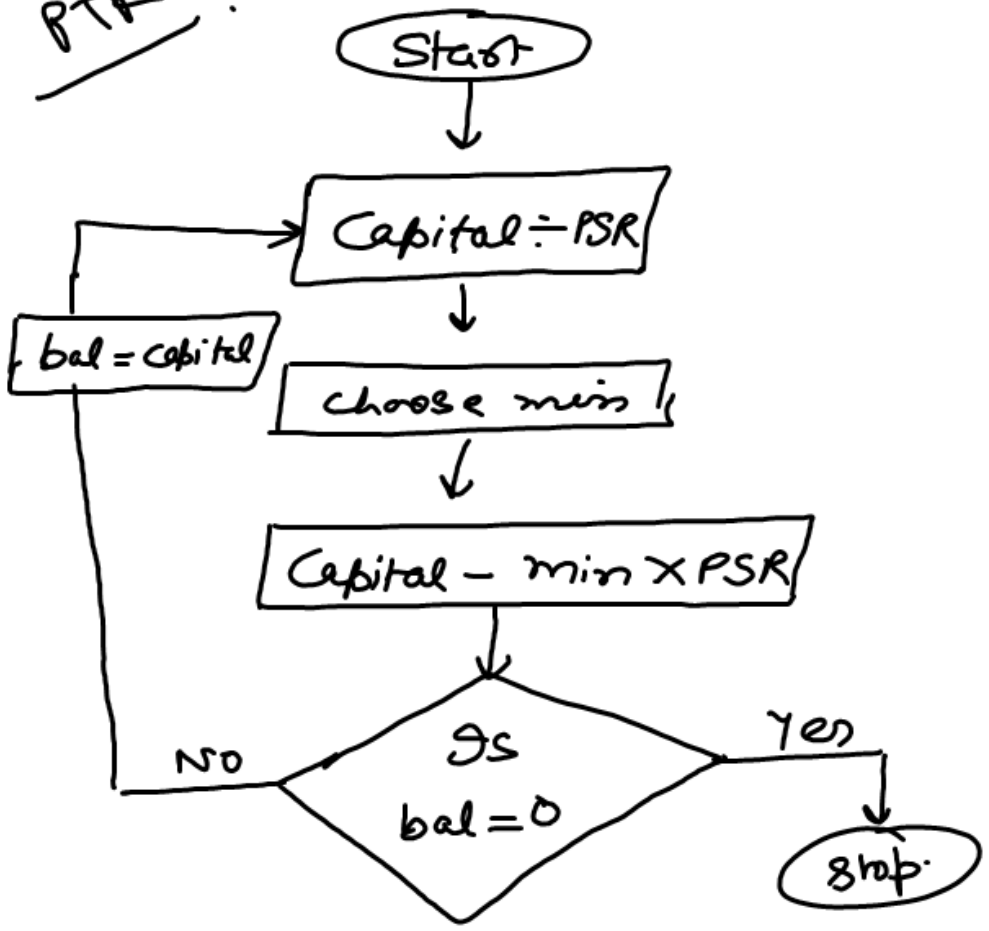
			£	S	N
27/4	Cash	19200	13830	9220	3350
	- E, S	<u>6300</u>	3780	2520	-
	- E, S, N (3:2:1)	12900	6450	4300	2150
Realisation Loss.			3600	2400	1200

Realisation a/c

L&B.	30810
Car	5160.
Invnt	1080.
Stock	19530.
Drs	11280.
Cash (Exp.)	1920
Cash (crs)	10080

CrS.	10320.
Cash.	61080.
North	1260.
E	3600
S	2400
N.	1200
	<u>7200.</u>

PTP



	3	2	1
	E	S	N
	12900 38700	5340 10680	4160 11100.
(3)	16020	10680	5340.
	7560 22680	0	5760
(2)	23040. 17280	0	5760
	5400	0	0
(1)	5400	0	0
	0	0	0

	3	2	1
	E	S	N
	4610 13830	4610 9220	3350. 3350.
② →	10050	6700	3350
	1260 3780.	1260 2520	0
① → 6300	3780	2520	
	0	0	0

