

Capital a/c.							
	A	B	C		A	B	C
Drawings	12000	12000	12000.	op bal	40000	50000	—
B	—	—	7920	GR	6000	4000	—
				Cash	—	—	10000
Cl bal	56560	57440	5520	C	—	7920	—
				Cash	—	—	7920
				P&L app.	22560	7520	7520

P&L appx.

depos on L&B 3000
 5% 60000
 Int on Aloan 600
 6% 10000

To profit 40000
 Return on
 NT Inv 1200

A 22560
 B 7520
 C 7520

Balance Sheet

A 56560
 B 57440
 C 5520
 A loan 10600
 Liab -

Bldg. 57000
 (60-3)
 Stock 40000
 Drs -
 Inv. 20000
 6% debⁿ inv
 Cash 13120

Balance sheet of(P) Ltd.
as on 1.4.85

Shareholder's fund	
Share Capital	119520
Noncurrent liabilities	
A loan	10600.
Current liab	—
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Noncurrent Assets	
Land & Bldg	57000
6% Int in deb ⁿ of X Ltd	20000
Current Assets	
Stock	40000
Cash	13120
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	A	B	C
Present capital	56560	57440	5520.
Share Capital in PSR.	71720	23900	23900
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Cash Brought	15160		18380.
Cash withdrawn		33540.	

Insolvency of firm

	α	β	γ		α	β	γ
P&L acc.	4000	4000	4000	op bal	8000	6000	1000
Realization	3700	3700	3700	Cash	600		
def	900			def		1700	5700

Realisation a/c

Stock	15630	Bank	
Drs	4720	9900	
Fwrn	9530	5000	
Cash	220	<u>4100</u>	19000
		α	3700
		B	3700
		γ	3700

Deficiency a/c.

B	1700	Sec loan	1500
γ	6700	Unsec crs	6000
		α	900

Cash a/c

op.	3120	Real	220
Real	19000	Sec loan	5000
α	600	Sec loan	
		Unsec crs	(17500)
		(5:20)	

Sec-Loan a/c.

Cash	5000	op.	10000
Cash def	3500		
	(1500)		

Sundry Creditors a/c

Cash	14000	op.	20000
def	(6000)		

Old ratio 3:2 A:B

New ratio. 3:1:1 A:B:C.

Sacrificing ratio A: $\frac{3}{5} - \frac{3}{5} = 0$

$$B = \frac{2}{5} - \frac{1}{5} = \frac{1}{5}$$

C Dr	7920
to B	7920

C's share of G/W

$$= \frac{1}{5} \times 39600$$

$$= 7920$$

	31.3.80	31.3.81	31.3.82	31.3.83	31.3.84.
Profit	20000	(10000)	20000	25000	30000
+ A Salary	6000	6000	6000	6000	6000
- A's Gain	(30000)				
+ A's Loss		20000			
- Return on NT Inv't	(1200)	(1200)	(1200)	(1200)	(1200)
<u>Adj Profit</u>	<u>(5200)</u>	<u>14800.</u>	<u>24800.</u>	<u>29800</u>	<u>34800</u>

Average Profit = 19800

G/W = $2 \times 19800 = 39600$

	X	Y	Z		X	Y	Z
Adv to X	20000	-	-	Op bal	30000	40000	30000
P&L	16000	24000	40000	Bank loan	-	-	20000
Realisation ⑤			$15000 + \frac{C}{2}$	Cash (40-30)	10000	-	-
				def			$5000 + \frac{C}{2}$

Realisation a/c

P&M	50000	Cr.S.	120000
Dos	200000	Bank loan	120000
Cash	120000	Cash	200000
(Sec loan)		X	$6000 + \frac{C}{5}$
Cash ③	$100000 + C$	Y	$9000 + \frac{3C}{10}$
		Z	$15000 + \frac{C}{2}$
			$30000 + C$ ④

Cash & Bank a/c

Op bal	10000	Realisation	120000
Real	200000	Realisation ②	$100000 + C$
X	10000		
Z	C ①		

$$Z's \text{ cash} = C$$

⑥

$$Z \text{ cash} = 50\% Z \text{ deficiency.}$$

$$C = 50\% \left(5000 + \frac{C}{2} \right)$$

$$C = 2500 + \frac{C}{4}$$

$$\frac{3C}{4} = 2500$$

$$C = \frac{2500 \times 4}{3} = 3333$$

Minor as a partner

Sec 30: Minor can be a partner in a firm
but only for beneficiary extent.

Expl: Minor can be made to bear losses
but only upto his undrawn profits

↓
Profit credited
- drawings

Misro →	<u>A</u>	<u>B</u>	<u>C</u>
op capital	10000	10000	10000
Profits P ₁	2000	2000	2000
P ₂	5000	5000	5000
P ₃	35000	35000	35000
Drawing D ₁	(2000)	(1500)	(2000)
D ₂	(5000)	(15000)	(6000)
D ₃	(35000)	(15000)	(4000)
cl cap	10000	16000	85000
losses borne	0	6000	0