INDIAN SCHOOL NIZWA

ACCOUNTANCY WORKSHEET-9

CH-4 Reconstitution of Partnership-Retirement of a partner

DATE: _____ NAME: _____ CLASS: XII

Preparation and settlement of Retiring partner's loan A/c through instalment payments:

For interest generated on retiring partners loan

Interest A/c……Dr

To Retiring Partner's loan A/c

(Being interest generated on loan transferred to the corresponding loan account of the retiring partner)

For Payment of instalment of the retiring partner's loan

Retiring partner's loan A/c Dr

To Cash/ bank A/c

(Being instalment paid for the loan of the retiring partner)

Q.1 Kushboo,Leela and Meena were partners in a firm sharing profits in the ratio of 5:3:2.Their Balance sheet on 31st March ,2015was as follows:

Balance sheet of Kushboo,Leela and Meena

As at 31st March,2015

Liabilities	₹	Assets	₹
Creditors	70,000	Bank	44,000
Capitals		Debtors	24,000
Kushboo 90,000		Stock	60,000
Leela 56,000		Building	1,40,000
Meena 60,000	2,06,000	Profit & Loss A/c	8,000
	2,76,000		2,76,000

On 1st April 2015 Leela retired on the following terms;

1. Building was to be depreciated by ₹10,000
2. A provision of 5% was to be made on Debtors for doubt ful debts
3. Salary outstanding was ₹4,800
4. Goodwill of the firm was valued at ₹1,40,000
5. Leela was to be paid ₹20,800through cheque and the balance was to be paid in two equal quarterly instalments (starting from 30th june 2015)along with interest @10% p.a

Prepare Revaluation A/c ,Leela's capital A/c and her Loan A/c till it is finally paid.

Q.2 A B and C are partners in a firm .A retires on 1st January 2010.On the date of retirement ₹80,000is due to him in all. It is agreed to pay him this amount in instalments every year at the end of the year .Prepare A's loan A/c when payment is made in three instalments of ₹25,000 including interest @10% p.a on the outstanding balance and the balance including interest in the fourth year.