

- Q.4 Usha, Trisha & Vishwas are partners sharing Profits & Losses in the proportion of 5:3:2 respectively. They decided to dissolve the firm on 31-12-2017. On that date Balance Sheet shows following information : [15]

**Balance sheet as on 31-12-2017**

Liabilities	Rs.	Assets	Rs.
Capital		Fixed Assets	150000
Usha 55000		Stock	18000
Trisha 25500		Cash	15000
Vishwas 20000	100500		
Profit and Loss A/c	35000		
Trisha's Loan A/c	17500		
Bank Loan	10000		
Creditors	20000		
	183000		183000

Assets realised in the following installments :

Installment	Rs.
1	25000
2	35000
3	23000
4	18000

Rs. 3000/- is to be kept aside as dissolution expenses reserve which actually occurred and was paid.

Prepare the statement showing piecemeal distribution of cash among partners as per 'Surplus Capital Method'.

**OR**

- Q.4(A) Rahi, Diya and Nina are partners sharing Profits & Losses in the ratio of 3: 2:1. They decided to dissolve the firm on 31-12-2017. On that day Balance sheet shown following information : [10]

**Balance sheet as on 31-12-2017**

Liabilities	Rs.	Assets	Rs.
Capital		Fixed Assets	65000
Rahi 20000		Current assets	35000
Diya 8000		Cash	4000
Nina 12000	40000		
Profit & Loss A/c.	12000		
Diya's Loan	20000		
Creditors	32000		
	104000		104000

Assets realised in the following installments :

Installment	Amt. Rs.
1	36000
2	26000
3	22200

They decided to keep reserve of dissolution expenses Rs.4000.

Actually dissolution expenses amounted to Rs.2200/-

Prepare statement showing piecemeal distribution of cash among partners as per 'Maximum Loss Method'

- (B) Write a note on 'Maximum Loss Method'

[05]

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