

Chapter -5 Dissolution of Partnership Firm

Questions carrying 6 Marks

1. How are the accounts settled on dissolution under Section 48 of Indian Partnership Act 1932

Questions carrying 8 Marks

1. A, B and C commenced a business on Jan 1, 2018 with Capital of Rs 50,000, Rs 30,000 and Rs 40,000 respectively. Profits and losses were to be shared in the ratio of 4:3:3. Capital carried interest @5% p.a. During the years ending Dec 2018 & 2019 the Partnership earned profits of Rs 20,000 and Rs 25,000 respectively before allowing Interest on Capital. The drawings made by the partners were Rs 5,000 each per year.

On 31st Dec 2019, the partners decided to dissolve the firm. On that date the Creditors were Rs 12,000. The firm realised Rs 1,30,000 on sale of Assets.

Draw necessary ledger accounts to close the books of the firm.