Old PSR - 10:6:4 → A:B:C

New PSR - A:C:D → 2:1:1 → B retire

Valuation of Goodwill - 100,000

Treatment of GW

	A	B	C	D
100000 (5:3:2)	50,000	30,000	20000	
100000 (2:2:1)	40,000		40,000	20,000
	10,000	30,000	20,000	20,000
	S	S	G	G

A's C's cap a/c - Dr 20,000
D's cap a/c - Dr 20,000
To A's cap 10,000
To B's cap a/c 30,000

Special adjustment

Investment a/c - Dr 30,000
To Revaluation a/c 3000
(15000 x 20%) Provision)

B's cap a/c - Dr 15000
To Investment a/c 15000

Revaluation a/c

Particulars	Amount	Particulars	Amt
To Depreciation		By PPD	3000
Building 10,000		By loss	60800
Plant & Machine 26000	36000	A 30400	
To PPD on TR	27800	B 18240	
		C 12160	
	63800		63800

Quick Work

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Partner's capital a/c

Particulars	A	B	C	D	Particulars	A	B	C	D
To Revaluation (A & B)	30,400	18240	12160	20	By bal b/d	80,000	20,000	30,000	
To investment		15000			By Reserve	10,000	6000	4000	
To B's loan		22760			By C & D	10,000	30,000		
By bal c/d (200000)	80,000		80,00	40000	By bank	10,400	-	78160	60,000

~~Cash~~ Bank a/c

Particular	Amount	Particular	Amount
To A's cap	10,400	By bal b/d	44000
To C's cap	78,160		
To D's cap	60,000	By bal c/d	1,04,560
	148560		148560

Balance Sheet

Liabilities	Amount	Asset	Amt
Capital,		Land	10,000
A 80,000		Building	190,000
C 80,000		Plant & Machine	104000
D 40,000	200000	Furniture	43000
Long term Debt	300000	Inventories	130,000
R Trade payable	1700000	Trade receivable	11,12,00
B's loan	22760	Bank	1,04,560
	692760		692760