

E 15-2

← دلالة

Ⓐ Net income = 80,000

A = 70%
D = 30%

	<u>Angela</u>	<u>Dawn</u>	<u>total</u>
" Net income	50,000	30,000	80,000
Ⓚ interest on A-Capital 10%	5,000	3,000	(8,000)
* Remaining N-Income			72,000
Ⓛ Salaries to partners	25,000	15,000	(40,000)
" Remaining N-Income			32,000
Ⓜ Allocate Based on Ratios	22,400	9,600	(32,000)
" Total	52,400	27,600	0

Ⓑ Net Income = 20,000

	<u>A</u>	<u>D</u>	<u>Total</u>
" Net income			20,000
Ⓚ interest on A-C	5,000	3,000	(8,000)
" Remaining			12,000
Ⓛ Salaries to partners	25,000	15,000	(40,000)
" Remaining "			(28,000)
Ⓜ Remaining Based on R 7:3	(19,600)	(8,400)	(28,000)
Total	10,400	9,600	0

E15-3 Division of income - interest on Capital (Average Capital)

- 1) Based on Average Capital for each partner give 8% interest
- 2) The Remmaining is Divided equally Between partners

A) Left A Capital

Date	Dr	Cr	Balance	Month	Month \$
1/1		30,000	30,000	x 3	90,000
4/3		8,000	38,000	x 5	190,000
8/23	6,000		32,000	x 2	64,000
10/31		6,000	38,000	x 2	76,000
Total					420,000

Left A-C = 35,000

B) Right A Capital

Date	Dr	Cr	Balance	Month	Month \$
1/1		50,000	50,000	x 2	100,000
3/5	9,000		41,000	x 4	164,000
7/6		7,000	48,000	x 3	144,000
10/7		5,000	53,000	x 3	159,000
Total					567,000

Right A-C = 47,250

Dis. see.

	Left	Right	Balance
	35,000	47,250	50,000
Net income			(6,580)
" interest on A-C 8%	<u>2,500</u>	<u>3,780</u>	43,420
Remmaining			(43,420)
" Dividing equally	<u>21,710</u>	<u>21,710</u>	0
	24,510	25,490	

E 15-4

a. Li. Sal. de. as L. B. S.

A) Apple A-Capital

Date	Dr	Cr	B	M	M#
1/1		40,800	40,800	x 3	122,400
4/1		15,000	55,800	x 9	502,200
<hr/>					
Total					624,600
					÷ 12
					<u>Apple A-C = 52,050</u>

B) Jack A-Capital

Date	Dr	Cr	B	Month	Month \$
1/1		112,000	112,000	x 7	784,000
8/1		20,000	132,000	x 5	660,000
<hr/>					
Total					1,444,000
					÷ 12
					<u>Jack A-C = 120,333</u>

	APPLE	JACK	BALANCE
A)			
	<u>52,050</u>	<u>120,333</u>	
Net income			30,000
* interest on A-C 6%	<u>3,123</u>	<u>7,220</u>	(10,343)
Remaining			69,657
* Bonus 10% → APPLE	<u>6,966</u>		(6,966)
Remaining			62,691
* Salaries to Partners	<u>25,000</u>	<u>30,000</u>	(55,000)
Remaining			7,691
* Allocating 70:30	<u>5,384</u>	<u>2,307</u>	(7,691)
Total Balance	<u>40,473</u>	<u>39,527</u>	Ø

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Partners Capital statement

Date	Apple	Jack
1/1	48,800	112,000
4/1	15,000	20,000
Total	83,800	132,000
Income Distribution	40,473	39,527
<u>Total</u>	<u>96,273</u>	<u>171,527</u>
Partners withdraws	(20,800)	(20,800)
<u>Total</u>	<u>75,473</u>	<u>150,727</u>

" Assume that each partner has 400 withdraw every week

However in the 1 year there is 52 weeks

$$400 \times 52 = \underline{\underline{20,800}}$$

ملاحظة " فرع C نفس الفكرة ولكن يكون هناك هناك جزاءه جزاءه
مطلوبه ونقوم بتوزيع الخايمه 50:50 حسب المطلوبه

E15-6

Mary	240,000
Gene	120,000
<u>Pat</u>	<u>40,000</u>
Total	400,000

(A) Elan invest for $\frac{1}{3}$ interest

$$1 - \frac{1}{3} = \frac{2}{3}$$

$$400,000 / \frac{2}{3} = 600,000$$

Total Partnership = Old Capital + investment
Capital

$$\begin{array}{r} 600,000 = 400,000 + \text{I} \\ - 400,000 \quad - 400,000 \\ \hline \text{investment} = 200,000 \end{array}$$

(B) Elan invest 80,000 and take 20% and good will recorded

$$400,000 / 80\% = 500,000 \rightarrow \text{Total FMV?}$$

$$\begin{array}{r} 500,000 = 400,000 + 80,000 + \text{GW} \\ - 480,000 \quad - 400,000 \quad - 80,000 \\ \hline \text{G.W.} = 20,000 \end{array}$$

$$\begin{array}{r} \text{or } 500,000 \times 0.20 \\ = 100,000 \\ - 80,000 \\ \hline \text{G.W.} = 20,000 \end{array}$$

entry \rightarrow

Dr Cash	80,000
Dr Goodwill	20,000
Cr Elan Capital	100,000

(C) Elan invest \$200,000 and take 20% "Boons II"

New FMV = 400,000 + 200,000
for partnership

$$FMV = 600,000 \times 0.20 = 120,000$$

$$200,000 > 120,000$$

	30,000	
↓	↓	↓
Mary	Gene	Pat
60%	30%	10%
= 48,000	= 28,000	= 8,000

entry → Dr Cash 200,000

Cr Mary c	48,000
Cr Gene c	28,000
Cr Pat c	8,000
Cr Elan c	120,000

(D) The new partner Admission is only liable for the new obligation after admission, not for the prior obligation

E15-7 PJ Company "partnership"

Pam	120,000	3:1	0.75
John	<u>40,000</u>	3:1	0.25
	160,000		

Gerry invest and take 20%

□ Gerry invest of 50,000, Goodwill to be recorded

$$50,000 / 0.20 = 250,000$$

$$250,000 = 160,000 + 50,000 + G.W$$

$$\rightarrow G.W = 40,000$$

Pam 0.75	John 0.25
30,000	10,000

entry to record G.W

Dr Goodwill	40,000	
Cr Pam's		30,000
Cr John's		10,000

entry to record Gerry admission

$$250,000 \times 0.20 = 50,000$$

Dr Cash	50,000	
Cr Gerry Capital		50,000

13) Gerry invest 50,000 and use the Burns Method

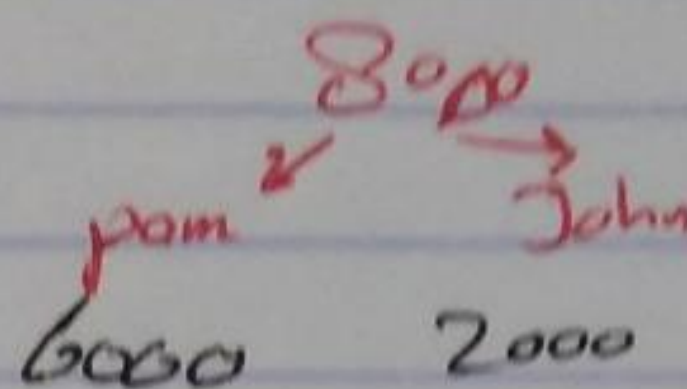
$$160,000 + 50,000 = 210,000$$

$$210,000 \times 20\% = 42,000$$

So investment > Contribution Capital

$$50,000 \downarrow 42,000$$

8,000



entry →

Dr Cash	50,000
Cr Pam's	6,000
Cr John's	2,000
Cr Gerry's	42,000

14) Gerry is purchase 20% from total Capital by Pay to Pam
50,000 Partnership من 20% Pam بغير
Capital له يبيع اشركه من

$$160,000 \times 0.20 = 32,000$$

entry →

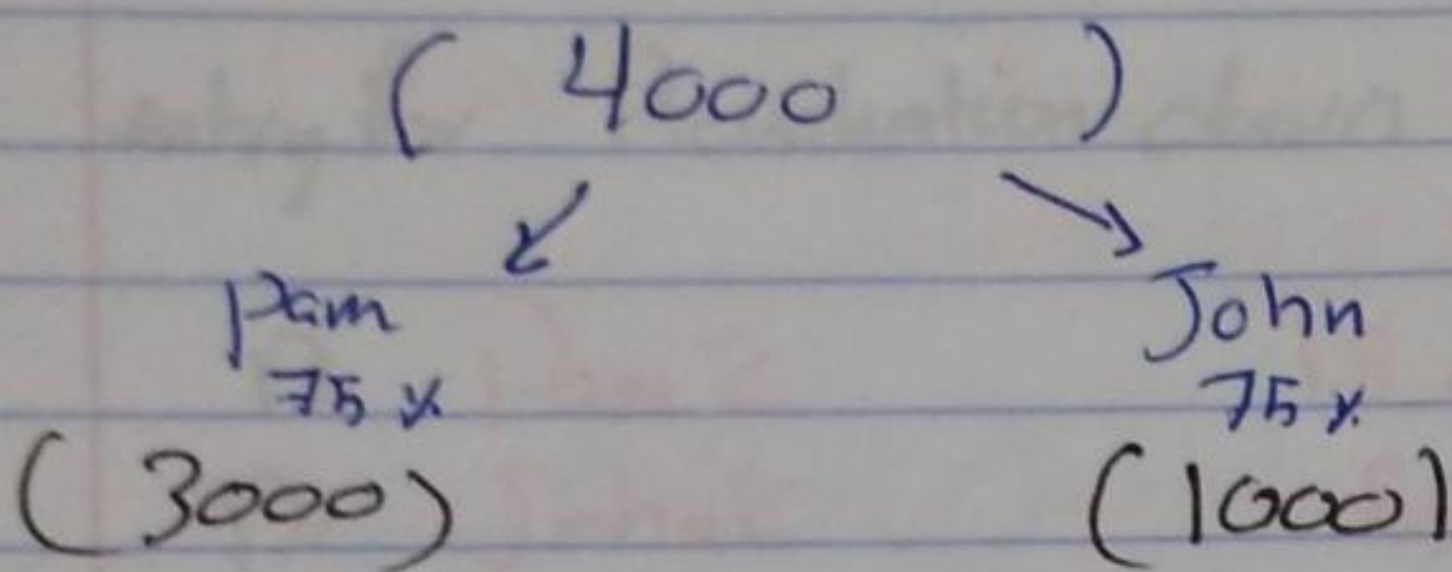
Pam's	32,000
Gerry's	32,000

D) Gerry pay 35,000 and take 20%

$$160,000 + 35,000 = 195,000$$

$$195,000 \times 0.20 = 39,000$$

$$35,000 < 39,000 \rightarrow 4,000$$



entry →

Dr Cash	35,000
Dr Pam C	3000
Dr John C	1000
Cr Gerry C	39,000

E) Gerry invest 35,000 and Goodwill to be recorded

to find the Goodwill for the new partner

$$160,000 / 0.80 = 200,000$$

$$200,000 = 160,000 + 35,000 + G.W$$

$$G.W = 5,000$$

entry

Cash	35,000
G.W	5,000
Gerry, C	40,000

→ $200,000 \times 0.20 = 40,000$

10] Gerry invest 35,000 / inventory overstated by 20,000

↳ 20,000 loss

 ↙ ↘
Pam John
15,000 5,000

$$160,000 - 20,000 = 140,000$$

entry for Revaluation down

Dr	Pam's Capital	15,000	
Dr	John's Capital	5,000	
	Cr inventory		20,000

$$↳ 140,000 + 35,000 = 175,000$$

$$175,000 \times 0.20$$
$$= 35,000$$

The entry for admission →

Dr	Cash	35,000	
	Cr Gerry's Capital		35,000

entry to withdraw Karl

Dr	Karl's Capital	42,000	
	Cr Cash		42,000

E 15-9 withdrawal of a Partner

11) Paid 38,000 to Karl and 10 Goodwill

Karl Capital	30,000
Paid	<u>38,000</u>
	8,000

(8000) → Luis → $8000 \times \frac{4}{5} = 6,400$
 Marty → $8000 \times \frac{1}{5} = 1,600$

entry →

Dr Karl Capital	30,000
Dr Luis Capital	6,400
Dr Marty Capital	1,600
Cr Cash	38,000

113) Karl take 42,000 and ~~10~~ Goodwill is recorded

Karl Capital	30,000
Paid	<u>42,000</u>
	12,000 → G.W

entry to record Goodwill

Dr Goodwill	12,000
Cr Karl Capital	12,000

entry to withdraw Karl

Dr Karl Capital	42,000
Cr Cash	42,000

Q Karl take 35,000 and imputed Goodwill is recorded

30,000
→ (35,000)

5000 → Goodwill is recorded

اما انہ بیجی انٹری د Karl Goodwill لود ہوا
ار بوجہ ار Total Goodwill لکل Partners لے بیجی انٹری لکل ہوا

$$5000 / \frac{1}{6} = 30,000$$

[Luis	$\frac{4}{8}$	=	20,000
	Marky	$\frac{1}{8}$	=	5,000
	Karl	$\frac{1}{8}$	=	5,000

entry →

Dr Goodwill	30,000	
Cr L Capital		20,000
Cr M Capital		5,000
Cr K Capital		5,000

entry for withdrawal

Dr Karl Capital	35,000	
Cr Cash		35,000

(D) Delbra and Marina agree that the inventory is overvalued
wayne pay 100,000 and take 25%.

(I) Find the FMV $\rightarrow 100,000 / 25\% = 400,000$

invest by 100,000

$360,000 + 100,000 = 460,000$

$460,000 > 400,000$

$\rightarrow (60,000) \leftarrow$

$(60,000) \rightarrow$ Delbra (0.60) = 36,000
 \rightarrow Marina (0.40) = 24,000

entry for Revaluation Down

Dr Delbra C	36,000	
Dr Marina C	24,000	
Cr inventory		60,000

entry for Admission wayne

Dr Cash	100,000	
Cr wayne C		100,000

Invest Directly by paying 80,000 to Debra and 60,000 to Merina and take 25%

$$360,000 \times 25\% = \underline{\underline{90,000}}$$

to calculate the Revaluation up

$$140,000 / 0.25 = 560,000$$

$$560,000 = 360,000 + R.up$$

$$R.up = 200,000 \begin{cases} \rightarrow \text{Debra} & 120,000 \\ \rightarrow \text{Merina} & 80,000 \end{cases}$$

entry Dr Land 200,000
 Cr D's C 120,000
 Cr M's C 80,000

$$560,000 \times 25\% = 140,000 \leftarrow \text{على ايه الشركة تبيع}$$

Debra C	Merina C
200,000	160,000
120,000	80,000
<hr/>	<hr/>
320,000	240,000

$$320,000 \times 25\% = 80,000$$

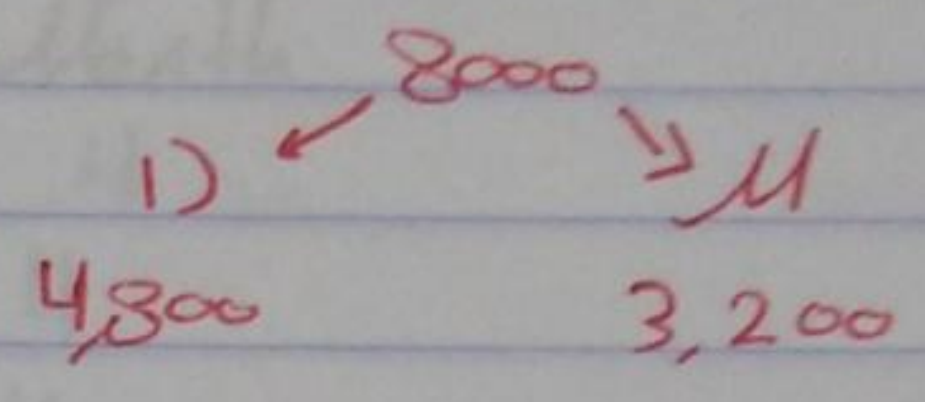
$$240,000 \times 25\% = 60,000$$

entry Dr Debra C 80,000
 Dr Merina C 60,000
 Cr Wayne C 140,000

[P] Wayne invest 80,000 and take 20% from 440,000

$$440,000 \times 0.20 = 88,000$$

$$\begin{array}{r} 38,000 \\ (80,000) \\ \hline 8,000 \rightarrow \text{loss} \end{array}$$



entry

Dr Cash	80,000	
Dr Debra's C	4,800	
Dr Merina's C	3,200	
		Cr Wayne's C
		88,000

[G] Wayne invest 100,000 and take 0.20, Goodwill Recorded

$$\begin{array}{r} 100,000 / 0.20 = 500,000 \\ - \\ 360,000 + 100,000 = 460,000 \\ \hline 40,000 \end{array}$$

$$500,000 = 360,000 + 100,000 + \text{G.W.}$$

$$\text{G.W.} = 40,000 \left[\begin{array}{l} \rightarrow D = 24,000 \\ \rightarrow M = 16,000 \end{array} \right]$$

entry →

Dr Goodwill	40,000
Cr Debra	24,000
Cr Merina	16,000

entry →

Dr Cash	100,000
Cr Wayne's C	100,000

P15-12 Division of Income

a "Kirkland & Co."

[1] Eastwood A Capital

Date	Dr	Cr	B	Month	Month \$
1/1		30,000	30,000 x	4	120,000
5/1		6,000	36,000 x	4	144,000
9/1	8,000		28,000 x	4	112,000
					<u>T 376,000</u>

$$\frac{\div 12}{A-C = 31,333}$$

[2] North A Capital

Date	Dr	Cr	B	Month	Month \$
1/1		40,000	40,000 x	2	80,000
3/1	9,000		31,000 x	4	124,000
7/1		5,000	36,000 x	2	72,000
9/1		4,000	40,000 x	4	160,000
					<u>T 436,000</u>

$$\frac{\div 12}{A-C = 36,333}$$

[3] West A Capital

Date	Dr	Cr	B	Month	Month \$
1/1		50,000	50,000 x	3	150,000
4/1		7,000	57,000 x	2	114,000
6/1		3,000	60,000 x	2	120,000
8/1	12,000		48,000 x	5	240,000
					<u>T-C 624,000</u>

$$\frac{\div 12}{A-C = 52,000}$$

	East	North	West	Balance
3:3:4	31,333	36,333	52,000	
Net income				78,960
Exp. salaries to partners	15,000	20,000	18,000	(53,000)
Remaining				25,960
(2) Bonus after D	3760			(3760)
Remaining				22,200
(3) 10% interest on C				
E-Bonus "10% interest"	2,800	4,000	4,800	(11,600)
Remaining				10,600
(4) Remm. on B 3:3:4	3,180	3,180	4,240	(10,600)
Total Balance →	24,740	27,180	27,040	0

"How to C/1/4 Bonus for East"

$$B = 0.1(78,960 - B)$$

$$B = 3948 - 0.05B$$

$$\frac{1.05B}{1.05} = \frac{3948}{1.05} \Rightarrow B = \underline{\underline{3760}}$$

✓ "فرض C ، B نفس الفكار"

P15-13 Investment of new partner

Net Asset = 600,000 Snider invest 25%

$$\text{A) } \frac{600,000}{25\%} - 500,000 \times 25\% = 200,000$$

entry \Rightarrow Dr Cash 200,000
Cr Snider 200,000

B 30,000 G.W. allocate to old partners

Dr Good will	30,000	
Cr. Der Capital	12,000	} Der 12,000 Egan 9,000 Oprius 9,000
Cr. Egan Capital	9,000	
Cr. Oprius Capital	9,000	

$$600,000 + 30,000 = 630,000 / 25\% = 840,000$$

$$840,000 \times 25\% = 210,000$$

entry Dr Cash 210,000
Cr Sni Capital 210,000

□ Paid 24,000 Boons to old partners

$$\begin{aligned} 24,000 \times 40\% &= 9,600 \text{ to Der} \\ 24,000 \times 30\% &= 7,200 \text{ to Egan} \\ 24,000 \times 30\% &= 7,200 \text{ to Oprins} \end{aligned}$$

entry Dr Cash 24,000
Cr Der C 9,600
Cr Egan C 7,200
Cr Oprins C 7,200

$600,000 + 24,000 = 624,000$
 $\frac{624,000}{15\%} = 832,000$

$$\begin{aligned} 832,000 &= 624,000 + \text{invest} \\ - 624,000 &- 624,000 \end{aligned}$$

investment = 208,000

entry → Dr Cash 208,000
Cr Snidar C 208,000

□ give G.W. = 10,000 to new partner Snidar

$$800,000 = 600,000 + 10,000 + \text{Investment}$$

investment = 190,000

entry → Cash 190,000
Goodwill 10,000
Snidar C 200,000

1e) Revaluation up for other assets 20,000
and recognize Goodwill by 40,000

		60,000	}	Der	24,000
			}	Eg	18,000
			}	Op	18,000
entry	Dr Other Assets	20,000			
	Dr Goodwill	40,000			

	Cr Der Capital	24,000
	Cr Eg Capital	18,000
	Cr Op Capital	18,000

After this $\Rightarrow 600,000 + 60,000$
 $= 660,000 / 1.75 = 380,000$

$$380,000 \times 0.25 = 220,000$$

entry	\rightarrow Cash	220,000
	Sni Capital	220,000

1f) The total Capital 820,000 and to G.W

$$205,000 = 820,000 \times 25\%$$

$$820,000 = 600,000 + \text{invest} + \text{Bouns}$$

$$820,000 = 600,000 + 205,000 + B$$

B = 15,000	{	Der	6,000
		Eg	4,500
		Op	4,500

entry	Dr Cash	220,000
	Cr Der 'C	6,000
	Cr Eg 'C	4,500
	Cr Op 'C	4,500
	Cr Sni Z	205,000

[9] Revaluation Down by 20,000 to Assets
and give 40,000 Bonus to snidar

entry → Re-down

Dr Per Capital	8,000	
Dr Eg Capital	6,000	
Dr Op Capital	6,000	
Cr other Assls		20,000

Per 40%
Eg 30%
Op 30%

$$600,000 - 20,000 - 40,000 = 540,000 / 75\% = 720,000$$

$$720,000 \times 0.25 = 180,000$$

Cash 140,000 Bonus 40,000

(40,000)
Per 16,000
Eg 12,000
Op 12,000

entry

Dr Cash	140,000
Dr Per Capital	16,000
Dr Eg Capital	12,000
Dr Op Capital	12,000

Cr snidar Capital 180,000