

A, B C ARE PARTNERS OR 1:1:1.... C RETIRES

NR / GR NOT GIVEN...THEN WE ASSUME NR=GR= OR (HIDE SHARE OF OUTGOING PARTNER) = 1:1

GOODWILL OF THE FIRM IS 30,000

1) SHARE OF ONLY THE RETIRING PARTNER IS RAISED

FOR RAISING GOODWILL IN OLD RATIO

GOOWILL A/C	DR. 10,000	
TO C'S CAPTIAL (30,000 X 1/3)		10,000

GOODWILL WILL APPEAR IN B/S 10,000 ON ASSET SIDE

2) SHARE OF ONLY THE RETIRING PARTNER IS RAISED AND WRITTEN OFF

FOR RAISING GOODWILL

GOOWILL A/C	DR. 10,000	
TO C'S CAPTIAL (30,000 X 1/3)		10,000

FOR WRITING OFF

A'S CAPITAL	DR. 5,000	
B'S CAPITAL (IN GAIN RATIO)	DR. 5,000	
TO GOOWILL A/C		10,000

GOODWILL WILL NOT APPEAR IN B/S

3) GOODWILL OF ENTIRE FIRM IS RAISED

FOR RAISING GOODWILL IN OLD RATIO

GOOWILL A/C	DR. 30,000	
TO A'S CAPTIAL (30,000 X 1/3)		10,000
TO B'S CAPTIAL (30,000 X 1/3)		10,000
TO C'S CAPTIAL (30,000 X 1/3)		10,000

GOODWILL WILL APPEAR IN B/S 30,000 ON ASSET SIDE

4) GOODWILL OF ENTIRE FIRM IS RAISED AND WRITTEN OFF

FOR RAISING GOODWILL IN OLD RATIO

GOOWILL A/C	DR. 30,000	
TO A'S CAPTIAL (30,000 X 1/3)		10,000
TO B'S CAPTIAL (30,000 X 1/3)		10,000
TO C'S CAPTIAL (30,000 X 1/3)		10,000

FOR WRITING OFF

A'S CAPITAL	DR. 15,000	
B'S CAPITAL (IN NEW RATIO)	DR. 15,000	
TO GOOWILL A/C		30,000

GOODWILL WILL NOT APPEAR IN B/S