

Pranav, Karan and Rahim were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2017 their Balance Sheet was as follows :

Balance Sheet of Pranav, Karan and Rahim as on 31.3.2017

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	3,00,000	Fixed Assets	4,50,000
General Reserve	1,50,000	Stock	1,50,000
Capitals		Debtors	2,00,000
Pranav 2,00,000		Bank	1,50,000
Karan 2,00,000			
Rahim <u>1,00,000</u>	5,00,000		
	9,50,000		9,50,000

Karan died on 12.6.2017. According to the partnership deed, the legal representatives of the deceased partner were entitled to the following :

- (i) Balance in his Capital Account.
- (ii) Interest on Capital @ 12% p.a.
- (iii) Share of goodwill. Goodwill of the firm on Karan's death was valued at ₹ 60,000.
- (iv) Share in the profits of the firm till the date of his death, calculated on the basis of last year's profit. The profit of the firm for the year ended 31.3.2017 was ₹ 5,00,000.

Prepare Karan's Capital Account to be presented to his representatives.