

Chander and Damini were partners in a firm sharing profits and losses equally. On 31st March, 2017 their Balance Sheet was as follows :

Balance Sheet of Chander and Damini as on 31.3.2017

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	1,04,000	Cash at Bank	30,000
Capitals		Bills Receivable	45,000
Chander 2,50,000		Debtors	75,000
Damini <u>2,16,000</u>	4,66,000	Furniture	1,10,000
		Land and Building	3,10,000
	5,70,000		5,70,000

On 1.4.2017, they admitted Elina as a new partner for $\frac{1}{3}$ rd share in the profits on the following conditions :

- (i) Elina will bring ₹ 3,00,000 as her capital and ₹ 50,000 as her share of goodwill premium, half of which will be withdrawn by Chander and Damini.
- (ii) Debtors to the extent of ₹ 5,000 were unrecorded.
- (iii) Furniture will be reduced by 10% and 5% provision for bad and doubtful debts will be created on bills receivables and debtors.
- (iv) Value of land and building will be appreciated by 20%.
- (v) There being a claim against the firm for damages, a liability to the extent of ₹ 8,000 will be created for the same.

Prepare Revaluation Account and Partners' Capital Accounts.