

The Case

Oh, Are, and Ewe are partners who share profits and losses 2:1:2. A summary of the balances in the accounts in their general ledger at the time they decide to liquidate their partnership is as follows:

Cash	8,100	
Non-Cash Assets	70,600	
Liabilities		27,500
Oh, Capital		23,300
Are, Capital		12,100
Ewe, Capital		15,800
Totals	78,700	78,700

Instructions:

Make the entries necessary to liquidate their partnership (1) in terms of the accounting equation, and (2) as general journal entries assuming the non-cash assets are sold for (a) \$70,600, and (b) \$20,600, and the deficient partner subsequently pays \$2,700 of his deficiency.

Liquidation of Partnerships

(a)

Date	Account Titles	Debit	Credit
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

(b)

Date	Account Titles	Debit	Credit
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
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