

EXAM-DAY · 90-MIN REVISION CARD

# Dissolution of Partnership Firm

Print this · Fold it · Carry to the exam-hall gate · Revise once · Then walk in.

## FORMULAS & KEY RESULTS

Order of Payment (Sec 48):  
Outside Creditors → Partner's  
Loan → Capital → Surplus in  
PSR

Realisation Profit/Loss = (Total  
Cr side – Total Dr side) of  
Realisation A/c

Garner v Murray: Insolvent  
partner's deficiency ÷ borne by  
solvent partners in CAPITAL  
ratio (pre-dissolution)

Realisation Loss to ALL  
partners in PSR — even the  
insolvent one

Unrecorded asset sold: Cash  
Dr / Realisation Cr (Cr side  
only)

Unrecorded liability paid:  
Realisation Dr / Cash Cr (Dr  
side only)

Goodwill on B/S: transferred to  
Realisation at book value; sale  
proceeds Cr Realisation

Partner's wife's loan: external  
liability → paid before partner's  
loan

Realisation expenses borne by  
partner for fixed remuneration:  
Dr Realisation by remuneration  
only

## TOP 5 PYQ PATTERNS

### 1 Prepare Realisation A/c, Partners' Capital A/cs and Cash A/c

6 marks · 92% of years

Lock the 3 T-accounts on the answer sheet FIRST.  
Transfer assets → liabilities → realisations →  
payments → close to capital. 6-7 minutes.

### 2 Garner v Murray application with one insolvent partner

6 marks · 58% of years

Show capitals BEFORE loss (Step 1), debit PSR loss  
(Step 2), then transfer insolvent's deficiency to  
solvent in CAPITAL ratio (Step 3). Mark each step in  
margin.

### 3 Distinguish Dissolution of Partnership vs Dissolution of Firm

3 marks · 33% of years

Always TABULAR with at least 4 bases. Cite Sec 39  
in opening line.

### 4 Journal entries for closing books at dissolution

5 marks · 47% of years

Group into 5 logical blocks (A-E). Narrate each. Do  
NOT pass cash entries until block D.

### 5 Treatment of unrecorded assets / liabilities / realisation expenses

3 marks · 47% of years

Each scenario = 2 marks of marginal entry.  
Memorise the 4 expense-treatment variants  
verbatim.

## 90-MIN REVISION FLOW

### 0-10 min

Read modes of dissolution (Sec 39-44) + the partnership vs firm distinction table

### 10-25 min

Master Realisation A/c structure — write a blank T-account from memory, label Dr/Cr items

### 25-45 min

Solve ONE full 6-mark Realisation problem (2024 Delhi) — clock yourself

### 45-65 min

Garner v Murray — write the 3-step ladder twice; solve one numerical with 1 insolvent partner

### 65-80 min

Drill the 4 expense-treatment cases + 3 unrecorded asset/liability twists from misconception list

### 80-90 min

Skim PYQ patterns table; mentally rehearse opening lines for 3-mark and 6-mark templates

**Confidence, not anxiety.** You've practised this all year. Trust your steps. Don't change strategy on exam morning.  
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