

Assets taken by Creditor

Furniture – ₹ 5000

Creditor – ₹ 4000

Case – I

Furniture taken by the creditor in full settlement of his claim.

- No Entry for settlement.

		<u>Realisation A/c</u>	
<u>Particulars</u>	<u>Amount (in ₹)</u>	<u>Particulars</u>	<u>Amount (in ₹)</u>
To Furniture	5000	By Creditors	4000
		By Loss	1000
	<u>5000</u>		<u>5000</u>

Case – II

Furniture is taken by the creditor for ₹ 3000.

Entry for Net Payment:

Realisation A/c	Dr.	1000	
To Cash A/c			1000

		<u>Realisation A/c</u>	
<u>Particulars</u>	<u>Amount (in ₹)</u>	<u>Particulars</u>	<u>Amount (in ₹)</u>
To Furniture	5000	By Creditors	4000
To Cash	1000	By Loss	2000
	<u>6000</u>		<u>6000</u>

Case – III

Furniture is taken by the creditor for ₹ 4500.

Entry for Net Receipt:

Cash A/c	Dr.	500	
To Realisation A/c			500