PEHAL EDU-CARE
EK SHURUAAT CONCEPT-BASED STUDY KI
www.pehaleducare.cc.cc
M: 9830442910\9804233491

JOINT LIFE POLICY

A. When JLP Reserve A\C is not maintained

Balance Sheet of the Partnership Firm
As on.........

Liabilities	Rs.	Assets	Rs.
JLP Reserve	nil	JLP	10000

Case 1. **JLP realised Rs. 10000**

Bank A\C	Dr. 10000	
To JLP A\C		10000

Case 2. **JLP realised Rs.11000**

Bank A\C	Dr. 11000	
To JLP A\C		10000
To Partners' Capital A\Cs		1000

Case 3. **JLP realised Rs.9000**

Bank A\C	Dr. 9000	
Partners' Capital A\Cs	Dr. 1000	
To JLP A\C		10000

Explanations:

1. In this case JLP realised at its book value, so there is no profit or loss.
2. In this case JLP realised 1000 above its book value, so there is profit which is transferred to Capital A\Cs.
3. In this case JLP realised 1000 less than its book value, so there is loss which is transferred to Capital A\Cs.

B. When JLP reserve is maintained

Balance Sheet of the Partnership Firm

As on……….

Liabilities	Rs.	Assets	Rs.
JLP Reserve	10000	JLP	10000

Case 1. **ForJLP realised Rs.10000**

Bank A\C Dr. 10000
To JLP 10000

For closing JLP Reserve A\C

JLP Reserve A\C Dr. 10000
To Capital A\Cs 10000

Case 2. **For JLP realized Rs. 11000**

Bank A\C Dr. 11000
To JLP 10000
To JLP Reserve A\C 1000

For closing JLP Reserve A\C

JLP Reserve A\C Dr. 11000
To Capital A\Cs 11000

Case 2. **For JLP realized Rs. 9000** (*Normally JLP reserve account is maintained at surrender value. So JLP is not realised less than its surrender value)*

Bank A\C Dr. 9000
JLP Reserve Dr. 1000

To JLP A\C 10000

For closing JLP Reserve A\C

JLP Reserve A\C Dr. 9000

To Capital A\Cs 10000

Explanations:

1. In this case JLP realised at its book value, so there is no profit.
2. In this case JLP realized 1000 above its book value, so there is profit which is transferred to JLP Reserve A\C.
3. In this case JLP realized 1000 less than its book value, so there is loss which is transferred to JLP Reserve A\C.