

I'm not a robot

































[illegible]



debiting his A/c and crediting the Asset A/c.3. After that, if there is any balance in the Asset A/c, the Asset A/c is to be closed by transferring the balance to Profit and Loss A/c.In the books of the seller 1. All necessary entries are to be shown up to the date of default as usual.2. Then Purchaser's A/c is to be closed by debiting Goods Repossessed A/c and crediting Purchaser's A/c.3. After that, if any expenditure is incurred to repair the said asset/goods, the Goods Repossessed A/c is to be debited.4. Subsequently, when the repossessed goods are sold, Cash/Bank A/c will be debited, and Goods Repossessed A/c will be credited. If there is any balance in the Goods Returned A/c, it is to be transferred to Profit and Loss A/c.In the books of buyer 1. All the necessary entries are to be shown up to the date of default as usual.2. Then entry to be shown for the agreed value of the assets taken over by the seller by debiting Vendor's A/c and crediting Assets A/c.3. The remaining asset left by the seller will continue as before and will show the closing balance (c/d) of the Asset A/c. If there is any balance in the Asset A/c, it will represent profit/loss on repossession and is to be transferred to Profit and Loss A/c.In the books of the seller 1. All the necessary entries are to be shown up to the date of default as usual. Then Purchaser's A/c is to be credited, and Goods Returned A/c is to be debited for the assets taken over (as per the agreed value).2. The Purchaser's A/c will continue as per the new agreement.3. After that, if any expenditure is incurred for repair of the said asset/goods, the Goods Repossessed A/c is to be debited.4. Subsequently, when the repossessed goods are sold, Cash/Bank A/c will be debited, and Goods Repossessed/Returned A/c will be credited. If there is any balance in the Goods Repossessed/Returned A/c, it is to be transferred to Profit and Loss A/c.Also Read: Jalani Distributors sold three light commercial vans