

Liabilities.

Bills Payable	\$ 8,000.00
Accounts Payable	6,000.00
Mortgage on Farm Lands.....	5,000.00
Mortgage on Store.....	8,000.00
M Capital	12,000.00
N Capital	8,000.00
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	\$47,000.00
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On a valuation of the assets being made, it is found that of the book debts \$4,000 are good, \$2,000 doubtful and \$1,000 bad, and in order to be on the safe side 10 per cent is to be deducted from the good, 40 per cent from the doubtful, and the bad are not to be taken in. The store and land are valued at 20 per cent and the farm lands at 10 per cent less than they stand at in the ledger, the fixtures are only worth 60 per cent on the dollar and the inventories are to be reduced as follows: Hardware 10 per cent, groceries 15 per cent, dry goods 30 per cent, and boots and shoes 25 per cent. M has property valued at \$1,000 and N has no assets outside of the partnership. Give statement of affairs and deficiency account.

