Revaluation A/C

Assets Reduced in Value (the difference between new & old)	xxx	Asset Increased in Value (the difference new & old)	xxx
Gain on Revaluation: X	xx		
Y	xx		
(shared according to partnership ratio)			

Example: Premises revalued from $20 000 to $30 000.
X and Y ratio is 2:3

Revaluation A/C

Gain on revaluation: X	$ 4 000	Premises	$10 000
Y	$ 6 000		
	$10 000		$10 000

Premises

Balance b/d	$20 000		
Revaluation	$10 000	Balance c/d	$30 000
	$30 000		$30 000