

Chart of Difference Between Revaluation and Realisation account

Basis of Difference	Revaluation Account	Realisation Account
Meaning	The effect of revaluation of asset and reassessment of liabilities are recorded in this account.	The amount realized from assets and paid to settle liabilities are recorded in this account.
Main objective	The main objective to prepare the revaluation account is to make the adjustment for the changes in the value of assets and liabilities	The main objective to prepare the realisation account is to determining net gains and losses on the dissolution of the firm.
When It prepared	When there is any change in the partnership deed. Like admission of Partner, Retirement of Partner, and death of Partner.	At the time of the dissolution of the firm.
Effects on accounts	In this account, the assets, and liabilities, accounts are revaluated not closed.	In this account, the assets and liabilities, accounts are closed.
How many time it can be prepared	It can be prepared many times in the whole life of the firm.	It can be prepared only one time when the firm is closed.
Included	Only those assets and liabilities are treated which are revaluated.	All assets and liabilities are treated in this account.
Treatment of Balance of account	The balance of this account will be transferred to the old partners only.	The balance of this account will be transferred to all partners.
Accounting Treatment	The only difference in the assets and liabilities amount is treated in this account.	The total book value of assets and liabilities are transferred to the realisation account.