SARALA BIRLA PUBLIC SCHOOL

Birla Knowledge City, Mahilong, Ranchi

CLASS-XII (2020-21)

Sub: ACCOUNTANCY

ASSIGNMENTS-1

CHAPTER -1 Fundamental of Partnership

In the absence of Partnership Deed

Q.1 Mahesh and Ramesh are partners with capitals of Rs. 50,000 and Rs. 60,000 respectively. On 1st January 2018, Mahesh gives a loan of Rs. 10,000 and Ramesh introduced Rs. 20,000 as additional capital. Profit for the year ending 31st March 2018 was Rs. 15,200. There is no partnership deed. Show how the profits would divided'? Give reasons.

Interest on Capital

Q. 2 A and B are partners sharing Profit or Loss in the ratio of 3 : 2 having capitals balances of Rs.50,000 and Rs. 40,000 on 1.4.2018. On 1st July, 2018 A introduced Rs.10,000 as his additional capital whereas B introduced only Rs. 1,000. 10% interest on capital is allowed to partners. Calculate the interest on capital if the financial year closes on 31st of March every year.

Interest on Drawings

Q.3 B and W are Partners in a firm. They withdrew Rs. 18,000 and Rs. 36.000 respectively during the year evenly at the middle of every month. According to partnership agreement, interest on drawing is to be charged @10% p.a. Calculate the interest on drawings of the partners using appropriate formula.

Profit and Loss Appropriation Account

Q.4. Geeta and Meeta were partners in a firm sharing profits in the ratio of 5:3. Their fixed capitals were Rs. 3.00,000 and 2.00,000 respectively. The partnership deed provided that:

(a) Interest on capital should be allowed @ 12% p.a.

(b) Meeta should be allowed a salary of Rs. 40,000 p.a.

(c)A commission of 5% of the net profit should be allowed to Meeta. The net profit for the year ended 31.3.2018 was Rs. 2,00,000.

Prepare profit and loss appropriation account.

Past Adjustments

Q5. X, Y &Z are partners sharing profits and losses in the ratio of 3 : 2 : 1. After the final accounts have been prepared, it was discovered that interest on drawings had not been taken into consideration. The interest on drawings of partners amounted to X Rs. 250, Y Rs. 180 and Z Rs. 100. Give the journal entries.

Q6. Ram and Mohan were partners in a firm sharing profits in 3 : 2 ratio. Their fixed capitals were: Ram Rs.120000 and Mohan Rs. 90,000. For the year 2018.interest on capital was credited to them C 6% instead 5%. Give necessary adjusting entry for the rectification of the error. Show also the working notes clearly.

Guarantee of Profit

Q. 7 The partners of a firm distributed the profits for the year 31st March 2015 Rs. 90,000 in the ratio of 3 : 2: 1without providing for the following adjustment

(i) A and C were entitled to a salary of Rs.1,500 per annum.

(ii) *B* was entitled to a commission of Rs.4,500.

(iii) B and C had guaranteed a minimum profit of Rs.35,000 per annum.

(iv) Profits were to be shared in the ratio of 3 : 3 : 2.

Pass necessary Journal entry for the above adjustments in the books

Q. 8 P, Q and R are partners in a firm. Their profit sharing ratio is 3 : 2 : 1 However R is guaranteed a minimum amount of Rs. 10,000 as share of profit every year. Any deficiency arising on that account shall be met by Q. The profits for two years ending December 31st 2018 and 2019 were Rs.45,000 and Rs.75,000 respectively. Prepare Profit and Loss Appropriation Account for the two years.

CHAPTER -2 VALUATION OF GOODWILL

1. Define Goodwill
2. List any four factors affecting goodwill.
3. How does the factor 'Quality of Products' affect th e goodwill of a firm?
4. How does the factor 'Location' affect the goodwill of a firm?
5. How does the factor 'Efficiency of Management' affect the goodwill of a firm?
6. How does the market situation affect the value of goodwill of a firm?
7. How does the nature of business affect the value of goodwill of a firm?
8. Describe the need for valuation of goodwill.

(Admission of a Partner)

Topic : Ratios; Old/New/Sacrifice/Gain

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1. State any two rights acquired by a newly admitted partner.
2. What is the main purpose of admitting a new partner in a firm?
3. Distinguish between sacrificing ratio and gaining ratio.
4. Vinod and Kumar are partners sharing profits in the ratio of 3:2. They admitted Mohan as a new partner for 1/5th share in the future profit. Calculate new profit sharing ratio of all the partners.
5. A and B are partners sharing profits and losses in the ratio of 3:2. They admit C into partnership giving him 1/5th share in profits which he acquires from A and B in the ratio of 2:1. Calculate the new profit sharing ratio.
6. A and B are partners in a firm sharing profits in the ratio of 2:1 is admitted into the firm with 1/4th share in profits. He will bring Rs. 30,000 as his capital. The balance sheet of A and B as on 31.3.2018 was as under:

Liabilities	Rs	Assets	Rs
Creditors	8,000	Cash	12,000
Bills payable	4,000	Debtors	8,000
general reserve	6,000	Stock	10,000
A's capital	52,000	Furniture	5,000
B's capital	30,000	Machinery	25,000
		building	40,000
	1,00,000		*1,00,000*

Other terms of the agreement are as under

(i) C will bring I Rs 12,000 as his share of goodwill.

(ii) Building was valued at Rs. 45,000 and Machinery at Rs 23,000.

(iii) A provision for bad debt is to be created @6% on debtors.

Prepare Revaluation A/c, Partners' Capital A/cs and the balance sheet of new firm.

7. Ram and Shyam were partners in a firm sharing profits in the ratio of 3 : 2. On 31.03.18 Their Balance Sheet was as follows:

Liabilities	Amount		Assets	Amount
Sundry Creditors	50,000		Land and Building	1,00,000
Bills Payable	20,000		Machinery	80,000
Outstanding Expenses	10,000		Stock	1,00,000
Capitals : Ram	1,80,000		Debtors	40,000
Shyam	70,000	2,50,000	Cash	10,000
	3,30,000			3,30,000

On the above date Mohan was admitted as a new partner in the firm for 1/4th share of profits on the following terms:

I. Mohan will bring Rs.1,20,000 for his capital and Rs.20,000 for his share as premium for goodwill.
II. Machinery was to be depreciated by 10% and Land and Building was to be appreciated by Rs.30,000.
III. Stock was overvalued by Rs.20,000.
IV. A provision of 5% was to be created for doubtful debts.
V. Salary outstanding was Rs.5,000.

Prepare Revaluation A/c, Partners Capital A/cs and Balance Sheet of new firm.

8. Krishna and Suresh are partners in a firm sharing profits in the ratio of 3 : 2. Their balance sheet was as follows on 31.3.2018:

Liabilities		Amount	Assets	Amount
General Reserve		5,000	Plant & Machinery	30,000
Sundry Creditors		15,000	Patents	5,000
Capitals : Krishna	30,000		Furniture	3,000
Suresh	20,000	50,000	Stock	16,000
			Debtors	15,000
			Cash	1,000
		70,000		70,000

On that date Mohan is admitted as a partner for 1/5th share on the following terms:

I. He is to contribute Rs.14,000 as his share of capital which includes his share of premium for goodwill.
II. Goodwill is valued at 2 years purchase of the average profits of the last 4 years, which were Rs.10,000; Rs.9,000; Rs.8,000 and Rs.13,000 respectively.
III. Plant & Machinery to be written down to Rs.25,000 and patents written up by Rs.8,000.

Prepare Revaluation A/c, Partners Capital A/cs and Balance Sheet of new firm.

9. Usha and Asha are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet on 31st March 2018 was as follows:

Liabilities	Rs	Assets		Rs
Creditors	27,000	Cash		24,000
General reserve	18,000	Debtors	48,000	
Bills Payable	5,000	Less : Provision	4,800	43,200
Usha's capital	40,000	Stock		30,000
Asha's capital	35,000	Patents		7,400
		Building		20,400
	1,25,000			*1,25,000*

Neelam is admitted into the partnership giving her 1/5th share in profits. Neelam to bring her share of goodwill

(i) Goodwill of the firm to be valued at Rs.50,000
(ii) Stock to be reduced by 10% and Provision for bad debts be reduced by Rs.2,400.
(iii) Patents are valueless and there was claim gainst the firm for damages amounting to Rs.2,000.

The claim has now been accepted.

Prepare Revaluation A/c, Partners' Capital A/cs and the balance sheet of new firm.