

# SARALA BIRLA PUBLIC SCHOOL

Birla Knowledge City, Mahilong, Ranchi

Session - 2021-22

## Assignment - II



**Class: XII**

**Subject: Accountancy**

1. X, Y & Z are partners sharing profit in the ratio of 1:2:3. On 1st April, 2019, they decided to share the profit and losses equally. There was a credit balance of Rs. 1,20,000 in their Profit & Loss A/c & a balance of Rs. 1,80,000 in General Reserve A/c on that date. Instead of closing these accounts, it is decided to record on adjustment entry. You are required to pass the necessary adjustment entry.
2. A, B & C are partners sharing profits in the ratio of 4:3:2. They decided to share profit and losses equally. The firm has an Advertisement Suspense A/c valued at Rs. 10,800. What will be the accounting treatment of the above reconstitution of the firm?
3. State the purpose of creating Workmen Compensation Reserve.
4. A, B, C are partners in a firm sharing profit in the ratio 5:3:2. They agreed to share profit and losses equally w.e.f. 1st April, 2019. Goodwill if the firm is valued at Rs. 90,000. Pass necessary journal entry.
5. Keshav, Meenakshi & Mohit are partners sharing profits & losses in the ratio of 1:2:2. They decided to share future profit equally w.e.f. 1st April, 2019. On that date, General Reserve Showed a balance of Rs. 2,40,000. Partners do not want to distribute the reserves. Pass necessary adjustment entry.
6. P, Q, R & S were partners in a firm sharing profits in the ratio of 1:4:2:3. on 1st April 2019, their Balance Sheet was as following:

Liabilities	Rs.	Assets	Rs.
Capitals Accounts:			
P 2,00,000			
Q 3,00,000			
R 4,00,000		Fixed Assets	12,70,000
S <u>5,00,000</u>	14,00,000	Current Assets	5,30,000
Sundry Creditors	2,30,000		
Workmen Compensation Reserve	1,70,000		
	18,00,000		18,00,000

The partners decided to share the future profits equally from the above date. For this purpose, the goodwill of the firm was valued at Rs. 2,70,000. The partners also agreed on the following:

- (1) The claim against workmen compensation reserve was estimated at Rs. 2,00,000.
- (2) Capitals of the partners was to be adjusted according to the new profit-sharing ratio by opening Partners Current A/c. Prepare Revaluation A/c, Partners' Capital Accounts & the

Balance Sheet of the reconstituted firm.

7. P, Q & R are partners sharing Profits equally. They decided that in future, R will get 1/5th share in profit & the remaining profit will be shared by P & Q equally. On the day of change in the profit-sharing ratio, firm's Goodwill is valued at Rs. 60,000. Deferred Revenue Expenditure was Rs. 4000 & balance in Profit & Loss A/c (Dr.) was Rs. 8000. Give journal entries on account of change in profit sharing ratio without disturbing the Balance Sheet.
8. Om, Jai, Jagdish are partner's sharing profits & losses in the ratio of 5:4:1. Their Balance Sheet as at 31/03/2019 was as follows:

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	1,10,000	Cash at Bank	2,10,000
Salaries Payable	30,000	Sundry Debtors 1,00,000	
Outstanding Expenses	10,000	Less: Provision <u>(10,000)</u>	90,000
General Reserve	40,000	Stock	50,000
<u>Capital A/cs:</u>		Furniture	40,000
Om 3,00,000		Computers	2,00,000
Jai 1,50,000		Cars	2,00,000
Jagdish <u>1,50,000</u>	6,00,000		
	7,90,000		7,90,000

Profit sharing ration with effect from 1st April, 2019 was decided to be equal. Following were also agreed among the partners:

- (1) Stock to be reduced to Rs. 40,000.
- (2) Provision for provision to be written back as all debtors are good.
- (3) Computers to be reduced by Rs. 20,000.
- (4) Out of the salaries payable Rs. 10,000 was not payable.
- (5) Outstanding expensed were not payable.
- (6) An unrecorded asset (motor cycle) valued at Rs. 10,000 to be accounted for.
- (7) Goodwill of the firm was valued at Rs. 50,000.
- (8) Total Capital of the firm Rs. 6,00,000 was to be in profit sharing ratio, excess capital to be withdrawn & shortage to be contributed by partners. Prepare Revolution Account, Partners Capital Accounts and Balance Sheet of the new firm.

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