Std. 12 Time : 3 hrs.

23-9-2016 Half Yearly Examination in **ACCOUNTANCY (Set - 2)** M. Marks : 80

1. Do all firms need a deed and registration? (1)

2. Name the method of calculating interest on drawings of the partners, if different amounts are withdrawn on different dates. (1)

3. How does factor 'Quality of Product' affect goodwill of a firm? (1)

4. What is meant by change in profit sharing ratio? (1)

5. Name the liability which is not shown in the balance sheet, but paid at the time of dissolution of a firm. (1)

6. In case of dissolution of a firm, which item on liability side are to be paid last? (1)

7. What is the nature of Revaluation Account? (1)

8. Name the account which is opened to the credit the share of profit of deceased partner, till the time of his death to his capital account. (1)

9. X & Y are partners in a firm. X is to get a commission of 10% of net profit before charging any commission net profit for the year ended 31st March 2016, before charging any commission was Rs. 55,000/- . Find the commission of X & Y. Also show distribution of profit. (3)

10. The capital of the firm of X & Y is Rs. 1,00,000/-. And the market-rate of interest is 15%. Annual salary to the partners is Rs.6,000/ each. The profit of the last 3 years were Rs. 30,000/-, Rs. 36,000/- and Rs.42,000/-. Goodwill is to be valued at 2 years purchase of the last 3 years of average super profit. Calculate Goodwill. (3)

11. X & Y are partners sharing profit and losses in the ratio of 3:1. They invested capitals of Rs. 2,00,000/- and Rs. 1,00,000/- respectively. They suffered losses of Rs.40,000/- during 2004. The Deed provides for the interest on capital @ 10% per annum. Prepare profit and loss appropriation account for the year 2014. (3)

12. A, B and C are partners in a firm sharing profit and losses in the ratio 2:2:1. Their capitals (fixed) are Rs. 1,00,000/-, Rs. 80,000/- and Rs. 70,000/- respectively. For the year 2015-16, interest on capital was credited to them @ 9 % per annum instead of 12%. Give adjusting journal entry. (3)

13. a) A, B & C are partners sharing profit in the ratio of 5:4:3. C' retired due to his prolonged illness and his share was taken up by A & B in the ratio of 3:2. Find out the new ratio.
    b) C faced financial difficulties after his retirement. His son Rakesh was an

unemployed graduate and hence A & B decided to admit Rakesh into partnership by offering him 1/5th share in profits. Mention the two values involved in admitting Rakesh as a partner. (2+2)

14. Vimal and Kamal are partners sharing profits in the ratio of 4:1. They admitted Almas as a new partner who brings Rs. 1,50,000/- as his share of goodwill. Almas is entitled to 1/3rd share in profit. As between themselves. Vimal and Kamal agrees to share future profit and losses equally. You are required to:
   a) Calculate the new profit sharing ratio.
   b) Record journal entries showing the appropriation of premium. (4)

15. Aruna and Barkha are partners in a firm sharing profit in the ratio of 7:5. On 1st April, 2010, they admit Chander as a new partner for 1/6th share. The new ratio will be 13:7:4. Chander contributed the following assets towards his capital and for his share of goodwill: Stock Rs. 60,000/-, Debtors Rs. 60,000/-, Land Rs. 2,00,000/- Plant & machinery Rs. 1,20,000/-. On the date of admission of Chander, the goodwill of the firm was valued at Rs. 7,50,000/. Record necessary journal entries in the book of the firm on Chander's admission and prepare Chander's capital account. (4)

16. a) X, Y and Z are partners sharing profit in the ratio of 3:2:1. Z is facing acute financial difficulties and it is now agreed that they will share the future profits equally. You are required to identify the values involved in changing in profit sharing ratio.
   b) A, B and C are partners sharing profits and losses in the ratio 3:4:5. They agreed to share future profits equally. Goodwill of the firm is valued at Rs. 3,00,000/-. Pass necessary journal entries. (4)

17. A, B and C are partners sharing profits in the ratio 4:3:2. As per new agreement C's share will be 1/3, which he acquires form A & B in the ratio of 1:2. Compute new ratio and sacrifice or gain of the partners. (4)

18. a) X, Y and Z are partners sharing profits and losses in the ratio 3:2:1. Z retires from the firm on 1st April 2016. On that date Z's retirement the following balances appeared in the books of the firm. General reserves Rs. 90,000/-, Profit and Loss (Dr) Rs. 15,000/-. Workmen Compensation reserves Rs. 12,000/- which was no more required. Pass journal entries for the adjustments of these items.
   b) X ,Y and Z were sharing profits in the ratio 5:3:2. They decided to share future profits in the ratio 2:3:5. With effect from 1-04-2007, they decided to record the effect of the following, without affecting their book values.
      i) Profit & losses A/c Rs. 24,000/-.
      ii) Advertisement Suspense Account Rs. 12,000/-.

   Pass the necessary adjusting entry. (3+3)

19. a) A, B and C were partners sharing profits in the ratio 2:2:1. It was provided under the partnership deed that on the event of death of any partner, firm's goodwill is to be valued on the basis of such partners share of 2 years profits calculated on the average of 3 completed years profits immediately preceding the year of the death less 25%. C died on 1st April 2013. The result of the firm's trading for the

last 3 years were as follows. 2010, Rs. 3,00,000/-, 2011, Rs. 2,50,000/-, and 2012 Rs. 2,00,000/-. Determine the amount that should be credited to C in respect of his share of goodwill.

b) The book value of the assets other than cash and bank transferred to realisation account is Rs. 1,00,000/-. 50% of the assets are taken over by a partner Atul, at a discount of 20%. 40% of the remaining assets are sold at a profit of 30% on cost, 5% of the balance being obsolete, realise nothing and remaining assets are handed over to a creditor in full settlement of his claim. You are required to record journal entries for realisation of asset. (3+3)

20. X, Y and Z were partners sharing profits in the ratio 2:2:1. The balance as at 31st March 2013, when they dissolved the firm was as follows:

Balance Sheet

Liabilities.	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	16,000.00	Other Sundry Assets	1,17,000.00
Loan	11,500.00	Furniture	11,000.00
Capital A/cs.		Debtors	
X's 1,27,500		(-) Provision for	
Y's 1,10,000		doubtful debts. 1,200	1,23,000.00
Z's 17,000	2,54,500.00	Stock	17,800.00
		Cash	13,200.00
	2,82,000.00		2,82,000.00

It was agreed that:

i) X is to take over furniture at Rs. 8,000/- and debtors amounted to Rs. 1,20,000/- at Rs. 1,17,200/- and creditors of Rs. 16,000/- were to be paid by him at this figure.

ii) Y is to take over all stocks for Rs. 17,000/- and some Sundry Assets at Rs. 72,000/- (being 10% less than the book value).

iii) Z is to take over remaining Sundry Assets at 80% of the book value & assume the responsibility of discharge of loan together with accrued interest of Rs. 2,300/-.

iv) The expenses of realisation were Rs. 2,700/-. The remaining debtors were sold to a debt collecting agency at 50% of the value.

Prepare Realisation A/c, Partners capital A/c & Cash A/c. (6)

21. A, B and C are partners in a trading firm. The firm has a fixed total capital of Rs. 60,000/- held equally by all partners. Under the partnership deed the partners were entitled to;

i) A and B to a salary of Rs. 1,800/- and Rs.1,600/- per month respectively.

ii) In the event of the death of a partner Goodwill was to be valued at 2 years purchase of the average profit of the last three years.

iii) Profit upto the date of the death based on the profit of the previous year.
iv) Partners were to be charged interest on drawings at 5% p.a. & interest on capital at 6% p.a.

A died on January 1, 2011. His drawings to the date of death were Rs. 2000/-, and interest thereon was Rs. 60/-. The profit for the three years ending 31st March 2008, 2009, and 2010 were Rs. 21,200/-, Rs. 3,200/- (Dr) and Rs. 9,000/- respectively.
Prepare A's capital account to calculate the amount to be paid to his executors. (6)

22. Usha and Asha are partners in a firm sharing profit & losses in the ratio of 3:2. Their balance sheet on 31st March was as follows:

Balance Sheet

Liabilities.	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	27,000.00	Cash	24,000.00
Bills payable	5,000.00	Debtors	
General Reserve	18,000.00	(-) Provision for	
Capital A/cs.		doubtful debts. 4,800	43,200.00
Usha 40,000		Stock	30,000.00
Asha 35,000	75,000.00	Patents	7,400.00
		Building	20,400.00
	1,25,000.00		1,25,000.00

Neelam is admitted into partnership for 1/5th share in profit. She is to bring in Rs. 30,000/- as her capital and her share of goodwill in cash, subject to the following terms:
i) Goodwill of the firm is valued at Rs. 50,000/-.
ii) Stock to be reduced by 10% and provision for doubtful debts to be reduced by Rs. 2,400/-.
iii) Patents are valueless.
iv) There was a claim against the firm for damages amounting to Rs. 2,000/-. The claim has now been accepted.

Pass necessary journal entries at the time of Neelam's admission and prepare the Balance Sheet of the new firm. (8)

23. P, Q and R, were partners in a firm sharing profit in the ratio of 2:3:5. On 31st March 2014, their balance sheet was as follows:

Balance Sheet

Liabilities.	Amount (Rs.)	Assets	Amount (Rs.)

Creditors Capital A/cs. P 80,000 Q 70,000 R 60,000	70,000.00 2,10,000.00	Bank Debtors (-) Provision for doubtful debts. 5,000 Stock Building P & L A/c	45,000.00 35,000.00 50,000.00 1,40,000.00 10,000.00
	2,80,000.00		2,80,000.00

On the above date, R retired from the firm due to his illness on the following terms;

i) Building was to be depreciated by Rs. 40,000/-.

ii) Provision for doubtful debts was to be maintained at 20% on debtors.

iii) Salary outstanding Rs.5,000/- was to be recorded and creditors Rs. 4,000/- will not be claimed.

iv) Goodwill of the firm was valued at Rs. 72,000/-.

v) R was to be paid Rs. 15,000/- by cheque and the balance was to be transferred to his loan account.

Prepare Revaluation Account, Partners Capital Account and Balance Sheet of the new firm. (8)

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