

TIME : 3 hrs.



M.M.- 80

MID TERM EXAMINATION (2025-26)
CLASS: XII
SUBJECT: ACCOUNTANCY (CODE : 055)
SET 'B'

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Question Nos.1 to 20 carries 1 mark each.
3. Questions Nos. 21 to 26 carries 3 marks each.
4. Questions Nos. from 27 to 29 carries 4 marks each
5. Questions Nos. from 30 to 34 carries 6 marks each
6. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Q1.

(a) Dan, Elf and Furhan were partners in a firm sharing profits in the ratio of 5 : 3 : 2. With effect from 1st April, 2024, they decided to change their profit sharing ratio to 2 : 3 : 5. There existed a General Reserve of ₹ 90,000 on the date of change in profit sharing ratio. The partners decided not to distribute General Reserve. The necessary adjustment entry to show the effect of the above will be :

	Particulars	Dr. Amount (₹)	Cr. Amount (₹)
(a)	Dan's Capital A/c Dr. To Furhan's Capital A/c	27,000	27,000
(b)	Dan's Capital A/c Dr. To Furhan's Capital A/c	90,000	90,000
<input checked="" type="checkbox"/>	Furhan's Capital A/c Dr. To Dan's Capital A/c	27,000	27,000
(d)	Furhan's Capital A/c Dr. To Dan's Capital A/c	90,000	90,000

OR

(b) Sia, Tom and Vidhi were partners in a firm sharing profits in the ratio of 3 : 2 : 1. With effect from 1st April, 2024, they decided to share profits and losses in the future in the ratio of 1 : 2 : 3. There existed a Debit Balance of ₹ 60,000 in Profit and Loss Account on that date. The necessary journal entry for distribution of the balance in the Profit and Loss Account will be :

Particulars		Dr. Amount (₹)	Cr. Amount (₹)
(a)	Sia's Capital A/c Dr.	30,000	
	Tom's Capital A/c Dr.	20,000	
	Vidhi's Capital A/c Dr.	10,000	
	To Profit and Loss A/c		60,000
(b)	Sia's Capital A/c Dr.	10,000	
	Tom's Capital A/c Dr.	20,000	
	Vidhi's Capital A/c Dr.	30,000	
	To Profit and Loss A/c		60,000
(c)	Sia's Capital A/c Dr.	20,000	
	To Vidhi's Capital A/c		20,000
(d)	Vidhi's Capital A/c Dr.	20,000	
	To Sia's Capital A/c		20,000

Q2. (a) Anju, Divya and Bobby were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Bobby retired. The new profit sharing ratio between Anju and Divya after Bobby's retirement was 5 : 3. The gaining ratio of remaining partners will be :
 (a) 3 : 2
 (b) 5 : 3
 (c) 3 : 1
 (d) 2 : 3

OR

(b) Mita, Veena and Atul were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Atul retired and his share was taken over by Mita and Veena in the ratio of 1 : 4. The new profit sharing ratio between Mita and Veena after Atul's retirement will be:
 (a) 3 : 2
 (b) 8 : 7
 (c) 7 : 3
 (d) 2 : 3

Q3. Sohan and Mohan are partners sharing profits and losses in the ratio of 2:3 with the capitals of ₹ 5,00,000 and ₹ 6,00,000 respectively. On 1st January 2024, Sohan and Mohan granted loans of ₹ 20,000 and ₹ 10,000 respectively to the firm. Determine the amount of loss to be borne by each partner for the year ended 31st March 2024 if the loss before interest for the year amounted to ₹ 2,500.
 (a) Share of Loss Sohan - ₹ 1,250 Mohan - ₹ 1,250
 (b) Share of Loss Sohan - ₹ 1,000 Mohan - ₹ 1,500
 (c) Share of Loss Sohan - ₹ 820 Mohan - ₹ 1,230
 (d) Share of Loss Sohan - ₹ 1,180 Mohan - ₹ 1,770

Q4. Navya and Radhey were partners sharing profits and losses in the ratio of 3 : 1. Shreya was admitted for 1/5th share in the profits. Shreya was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:

Shreya's Current A/c Dr. 24,000
 To Navya's Capital A/c 8,000
 To Radhey's Capital A/c 16,000
 (Being entry for goodwill treatment passed)

The new profit-sharing ratio of Navya, Radhey and Shreya will be:

Handwritten calculations:
 $3 - \frac{1}{5} = \frac{14}{5}$
 $\frac{14}{5} \times \frac{5,00,000}{100} = 1,40,000$
 $\frac{1}{5} \times \frac{6,00,000}{100} = 1,20,000$
 $1,40,000 + 1,20,000 = 2,60,000$
 $\frac{2,60,000}{45} = 5,777.78$
 $5,777.78 \times \frac{14}{5} = 1,61,777.78$
 $5,777.78 \times \frac{1}{5} = 1,155.56$
 $1,61,777.78 + 1,155.56 = 1,62,933.34$

Handwritten calculations at the top of the page:
 $\frac{64500}{143500}$ $\frac{48}{215} \cdot 2083$ $\frac{143500}{69500} \cdot 3 = 212500$ $\frac{212500}{212500} \cdot 708$

	<p>(a) 41: 7: 12 (b) 13:12:10 (c) 3: 1 : 1 (d) 5: 3 : 2</p>	
Q5.	<p>Total assets of a partnership firm, which was dissolved were ₹ 30,00,000 and its total liabilities were ₹ 6,00,000. Assets were realized at 80% and liabilities were settled at 5% less. If dissolution expenses were ₹ 30,000, the profit or loss on dissolution was :</p> <p>(a) Profit ₹ 18,00,000 (b) Loss ₹ 6,00,000 (c) Profit ₹ 6,00,000 (d) Loss ₹ 18,00,000</p>	1
Q6.	<p>Amit and Sumt were partners in a firm with fixed capitals of ₹ 6,00,000 and ₹ 4,00,000 respectively. Kavi was admitted as a new partner for $\frac{1}{5}$th share in the profits of the firm. Kavi brought ₹ 40,000 as his share of goodwill premium and ₹ 3,00,000 as his capital. The amount of Goodwill premium credited to Sumit will be :</p> <p>(a) ₹ 20,000 (b) ₹ 24,000 (c) ₹ 16,000 (d) ₹ 40,000</p> <p style="text-align: center;">OR</p> <p>Capital employed calculated by</p> <p>(a) Capital + Reserve - Fictitious Assets - Non Trade Investment (b) All Real Assets - Goodwill - Non Trade Investment - Outside liabilities (c) Above (A) and (B) both (d) None of the above</p>	1
Q7.	<p>Weighted average method of calculating goodwill is used when</p> <p>(a) Profits are not equal (b) Profits show an increasing or decreasing trend (c) Profits are Fluctuating (d) None of the Above</p> <p style="text-align: center;">OR</p> <p>Akshita and Anurag are partners in a firm sharing profits in the ratio of 2 : 1. Akshat is admitted in the firm with $\frac{1}{3}$ share in profits. Akshat acquires $\frac{2}{3}$ of his share from Akshita and $\frac{1}{3}$ of his share from Anurag. The new profit sharing ratio of Akshita, Anurag and Akshat will be :</p> <p>(a) 3 : 2 : 4 (b) 4 : 3 : 2 (c) 2 : 1 : 1 (d) 4 : 2 : 3</p>	1
Q8.	<p>'A' and 'B' were partners in a firm sharing profits and losses in the ratio of 7 : 1. 'A' withdrew a fixed amount of ₹ 12,000 at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. The journal entry for charging interest on drawings at the end of the year will be :</p> <p>(a) Interest on drawings A/c Dr. ₹ 1,800 To A's Capital A/c ₹ 1,800 (b) Interest on drawings A/c Dr. ₹ 1,800 To A's Current A/c ₹ 1,800 (c) A's Capital A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800 (d) Profit and Loss Appropriation A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800</p>	1

Handwritten calculations at the bottom of the page:
 $\frac{2400000}{520000} - \frac{300000}{300000}$
 $\frac{5}{8} - \frac{3}{8} = \frac{30-24}{48} = \frac{6}{48} = \frac{1}{8}$
 $\frac{3}{8} - \frac{2}{6} = 18-16 = \frac{2}{20}$ Page 3 of 11
 $480000 \times \frac{7}{15} \times \frac{1}{8} = 240000$
 $\frac{300000}{300000} = 1$
 $\frac{300000}{300000} = 1$
 $\frac{600000}{240000} = 2.5$
 $\frac{30}{30} = 1$

Q9.	<p>(i) P, Q and R were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. P died on 1st September, 2024. On the date of P's death, the profits of the firm were calculated as ₹ 80,000. share of profit will be adjusted by :</p> <p>(a) Debiting Profit and Loss Account with ₹ 40,000. (b) Debiting Profit and Loss Appropriation Account by ₹ 40,000. (c) Debiting Profit and Loss Suspense Account with ₹ 80,000. <input checked="" type="checkbox"/> (d) Debiting Profit and Loss Suspense Account with ₹ 40,000.</p> <p style="text-align: center;">OR</p> <p>(ii) Pooja, Nita and Anita were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Pooja retired and her share is taken up by Nita and Anita equally. The new profit sharing ratio of Nita and Anita will be :</p> <p>(a) 2 : 1 (b) 7 : 5 (c) 1 : 1 (d) 3 : 2</p>	
Q10.	<p>Which of the following will be transferred to Realisation Account at the time of dissolution of firm ?</p> <p>(i) Provision for Doubtful Debts (ii) Partners' Loan (iii) General Reserve (iv) Goodwill</p> <p><input checked="" type="checkbox"/> (i) and (iv) (b) (i), (ii) and (iv) (c) (i), (iii) and (iv) (d) (i), (ii) and (iii)</p>	1
Q11.	<p><i>Assertion (A)</i> : Goodwill is a intangible asset. <i>Reason (R)</i> : Goodwill is the value of the reputation of a firm in respect of profits expected in future, over and above the normal profits. Select the correct answer from the following :</p> <p>(a) Assertion (A) is correct, but Reason (R) is wrong. (b) Assertion (A) is wrong, but Reason (R) is correct. <input checked="" type="checkbox"/> (c) Both Assertion (A) and Reason (R) are correct. (d) Both Assertion (A) and Reason (R) are wrong</p>	1
Q12.	<p>Nidhi, Kunal and Kabir are partners in a firm sharing profits in the ratio of 2 : 1 : 2. Kunal retired and the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was ₹ 80,000. Nidhi and Kabir agreed to pay him ₹ 1,00,000 in full settlement of his claim. Kunal's share of goodwill of the firm, on his retirement was :</p> <p>(a) ₹ 4,000 <input checked="" type="checkbox"/> (b) ₹ 20,000 (c) ₹ 16,000 (d) ₹ 1,80,00</p>	1

Q13.	Assertion (A) : Each partner is a principal as well as an agent for all the other partners. Reason (R) : As per the definition of Partnership Act, partnership business may be carried on by all the partners or any of them acting for all. Choose the correct option from the following : (a) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). <input checked="" type="checkbox"/> (b) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (c) Assertion (A) is correct, but Reason (R) is incorrect. (d) Assertion (A) is incorrect, but Reason (R) is correct.	1
Q14.	Which one of the following items cannot be recorded in the profit and loss appropriation account? (a) Interest on capital (b) Interest on drawings <input checked="" type="checkbox"/> (c) Rent paid to partners (d) Partner's salary	1
Q15.	Aman, Aadhar and Avinash were partners and sharing profits in the ratio of 3 : 2 : 1. Avinash retired from the firm on 1st July, 2024. On the date of Avinash's retirement of ₹ 1,20,000 in the Profit and Loss Account. For calculating the amount payable to Avinash, this balance will be transferred : (a) To the debit side of the capital accounts of Aman and Aadhar in old profit sharing ratio. <input checked="" type="checkbox"/> (b) To the debit side of the capital accounts of Aman, Aadhar and Avinash in old profit sharing ratio. (c) To the credit side of the capital accounts of Aman and Aadhar in new profit sharing ratio. (d) To the credit side of the capital accounts of Aman and Aadhar in their gaining ratio. <p style="text-align: center;">OR</p> Under the capitalisation method, the formula for calculating the goodwill is (a) Super profits multiplied by the rate of return (b) Average profits multiplied by the rate of return (c) Super profits divided by the rate of return (d) Average profits divided by the rate of return	1
	Read the following hypothetical situation and answer questions No. 16 and 17 on the basis of the given information. Abha and Babita were partners in a clay toy making firm sharing profits in the ratio of 2 : 1. On 1st April, 2024, their capital accounts showed balances of ₹ 5,00,000 and ₹ 10,00,000 respectively. The partnership deed provides for interest on capital @ 10% p.a. The firm earned a profit of ₹ 90,000 during the year.	
Q16.	Babita's share in profit will be: (a) ₹ 60,000 <input checked="" type="checkbox"/> (b) ₹ 30,000 (c) Nil (d) ₹ 1,00,000	1
Q17.	The amount of interest on capital allowed to Abha will be : (a) ₹ 50,000 (b) ₹ 1,00,000 <input checked="" type="checkbox"/> (c) ₹ 60,000 (d) ₹ 30,000	1

Q18.	Maximum number of partners in a partnership firm may be : (a) Maximum Two (b) Maximum Ten (c) Maximum One Hundred (d) Maximum Fifty	
Q19.	Aavya, Mitansh and Praveen were partners in a firm. On 31st March, 2024, the firm was dissolved. Creditors took over furniture of book value of ₹ 50,000 at ₹ 45,000 in part settlement of their amount of ₹ 60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be : (a) ₹ 10,000 (b) ₹ 50,000 (c) ₹ 45,000 (d) ₹ 15,000	1
Q20.	(a) Atul, Beena and Sita were partners in a firm sharing profits and losses in the ratio of 8 : 7 : 5. Damini was admitted as a new partner for $\frac{1}{5}$ th share in the profits which she acquired entirely from Atul. The new profit sharing ratio after Damini's admission will be : (a) 7 : 7 : 5 : 1 (b) 4 : 7 : 5 : 4 (c) 8 : 7 : 5 : 4 (d) 7 : 5 : 8 : 4 OR (b) Rushil and Abheer were partners in a firm sharing profits and losses in the ratio of 4 : 3. They admitted Sunil as a new partner for $\frac{3}{7}$ th share in the profits of firm, which he acquired $\frac{2}{7}$ th share from Rushil and $\frac{1}{7}$ th share from Abheer. The new profit sharing ratio of Rushil, Abheer and Sunil will be : (a) 4 : 3 : 3 (b) 2 : 1 : 3 (c) 2 : 2 : 3 (d) 4 : 3 : 1	1
Q21.	Monika, Bhoomika and Kamolika are partners sharing profits in the ratio of 6 : 4 : 1. Kamolika is guaranteed a minimum amount of ₹ 3,00,000 as her share in profits. The firm earned a net profit of ₹ 22,00,000 for the year ended 31st March 2024. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2024.	3
Q22.	A and B were partners in a firm sharing profits in the ratio of 5 : 3. Their fixed capitals on 31 st March, 2023 were : A ₹ 60,000 and ₹ 80,000. They agreed to allow interest on capital @12% p.a. The Profit of the firm for the year ended 31 st March, 2024 before allowing interest on capitals was ₹ 12,600. Pass necessary Journal entries for the above transactions in the books of A and B. Also show your working note clearly.	3
Q23.	Suman, Vivek and Vinod were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Suman retired on 1st April, 2024. After making all adjustments relating to revaluation, goodwill and accumulated profits, etc., the capital accounts of Vivek and Vinod showed credit balances of ₹ 3,60,000 and ₹ 1,40,000 respectively. It was decided to adjust the capitals of Vivek and Vinod in their new profit sharing ratio. Pass necessary journal entries for bringing in or withdrawal of the necessary amounts. Show your working clearly.	3

3 47 800
 41
 3 49 800

Q24.	<p>Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2 : 1. They decided to share profits and losses in the ratio of 4 : 2 : 3 : 1 with effect from 1st April, 2024. On this date, goodwill of the firm was valued at ₹ 1,20,000 and General Reserve appeared in the books at ₹ 36,000.</p> <p>Pass necessary journal entries for the above transactions. Show your workings clearly.</p>	3																																				
Q25.	<p>(a) On 1st April, 2024, the capital of the firm of Ashu and Madhav is ₹ 1,50,000. The normal rate of return on capital employed is 10%. Average profits of the firm are ₹ 23,500. Calculate goodwill of the firm based on three years purchase of super profits.</p> <p>Or</p> <p>(a) Rakshit and Malik are partners in a firm sharing profits and losses in the ratio of 4 : 1. On 1st April, 2024, their capitals were ₹ 1,20,000 and ₹ 80,000 respectively. On 1st December, 2024, they decided that the total capital of the firm should be ₹ 3,00,000 to be contributed by them in the ratio of 2 : 1. According to the partnership deed, interest on capital is allowed to the partners @ 6% p.a. Calculate interest on capital to be allowed for the year ending 31st March, 2025.</p>	3																																				
Q26.	<p>A firm earned average profit of ₹ 3,00,000 during the last few years. The normal rate of return of the industry is 15%. The assets of the business were ₹ 17,00,000 and its liabilities were ₹ 2,00,000. Calculate the value of the goodwill of the firm by capitalization of average profit.</p> <p>Or</p> <p>Anant, Gulab and Khushbu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. From 1st April 2024 they decided to share the profits equally. For this purpose the goodwill of the firm was valued at ₹ 2,40,000.</p> <p>Pass necessary Journal entry for the treatment of goodwill on change in profit sharing ratio of Anant, Gulab and Khushbu.</p>	3																																				
Q27.	<p>Sudhir, Deepak and Naveen were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2024 their Balance Sheet was as under :</p> <p style="text-align: center;">Balance Sheet of Sudhir, Deepak and Naveen as on 31-3-2024</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount ₹</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount ₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">50,000</td> <td>Land and Building</td> <td style="text-align: right;">2,10,000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: right;">1,00,000</td> <td>Machinery</td> <td style="text-align: right;">1,90,000</td> </tr> <tr> <td>Loan</td> <td style="text-align: right;">1,20,000</td> <td>Stock</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Capitals :</td> <td></td> <td>Investments</td> <td style="text-align: right;">1,70,000</td> </tr> <tr> <td style="padding-left: 20px;">Sudhir 1,60,000</td> <td></td> <td>Advertisement Suspense A/c</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td style="padding-left: 20px;">Deepak 1,50,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Naveen <u>1,40,000</u></td> <td style="text-align: right;">4,50,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">7,20,000</td> <td></td> <td style="text-align: right;">7,20,000</td> </tr> </tbody> </table> <p>Sudhir died on 30th June, 2024. The partnership deed provided for the following, on the death of a partner :</p> <p>(a) Goodwill of the firm was to be valued at 2 ½ years purchase of average profits of the previous four years which were ₹ 1,80,000.</p>	Liabilities	Amount ₹	Assets	Amount ₹	Creditors	50,000	Land and Building	2,10,000	General Reserve	1,00,000	Machinery	1,90,000	Loan	1,20,000	Stock	30,000	Capitals :		Investments	1,70,000	Sudhir 1,60,000		Advertisement Suspense A/c	1,20,000	Deepak 1,50,000				Naveen <u>1,40,000</u>	4,50,000				7,20,000		7,20,000	4
Liabilities	Amount ₹	Assets	Amount ₹																																			
Creditors	50,000	Land and Building	2,10,000																																			
General Reserve	1,00,000	Machinery	1,90,000																																			
Loan	1,20,000	Stock	30,000																																			
Capitals :		Investments	1,70,000																																			
Sudhir 1,60,000		Advertisement Suspense A/c	1,20,000																																			
Deepak 1,50,000																																						
Naveen <u>1,40,000</u>	4,50,000																																					
	7,20,000		7,20,000																																			

Handwritten calculations and notes:

- 411,500,000
- 37500 x 2/3 = 25000
- 575000
- 37500
- 20
- 1,80,000 x 2 1/2 x 2 = 9,00,000
- 1,80,000 x 2 1/2 = 4,50,000
- 1,10,000
- 24000
- 4,16,000
- 20000
- 16000 x 2/3 = 10666.67

(b) Sudhir's share of profit or loss till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹ 4,00,000 and that from 1st April, 2024 to 30th June, 2024 amounted ₹ 1,50,000. The profit for the year ended 31st March, 2024 was ₹ 1,00,000.

(c) Interest on capital was to be provided @ 7% p.a.
 Prepare Sudhir's Capital Account to be rendered to his executors.

Q28. B, C and D are partners sharing profits in the ratio of 1:1:1. As per the partnership deed Salary is allowed to the partners as follows:

- B is entitled to a salary of ₹ 2,000 per month.
- C is entitled to salary of ₹ 16,000 p.a.
- D is entitled to a salary of ₹ 4,000 quarterly.

Calculate the amount of salary payable to the partners in the following cases:
 Case 1. When there is profit of ₹ 62,000
 Case 2. When there is loss ₹ 20,000

OR

Ajay, Bhawna and Shreya were partners sharing profits in the ratio of 2 : 2 : 1. On 1st July, 2024 Shreya died. The books of accounts are closed on 31st March every year. Sales for the year 2023-24 was ₹ 5,00,000 and that from 1st April to 30th June 2024 were ₹ 1,40,000. Rate of profit during the past three years had been 10% on sales. Since Shreya's legal representative was her only son, who is specially abled, it was decided that the profit for the purpose of settling Shreya's account is to be calculated as 20% on sales.
 Calculate Shreya's share of profit till the date of her death and pass necessary journal entry for the same.

Q29. Manoj and Nitin were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 31st March, 2024, the balances in their capital accounts after making adjustments for profits and drawings were ₹ 90,000 and ₹ 80,000 respectively. The net profit for the year ended 31st March, 2024 amounted to ₹ 30,000. During the year Manoj withdrew ₹ 40,000 and Nitin withdrew ₹ 20,000. Subsequently, it was noticed that Interest on Capital @ 10% p.a. was not provided to the partners. Also Interest on Drawings to Manoj ₹ 3,000 and to Nitin ₹ 2,000 was not charged.
 Pass necessary adjusting journal entry. Show your workings clearly.

Q30. (a) Yuv and Veer were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet as on 31st March, 2024 was as under:

Balance Sheet of Yuv and Veer as at 31-3-2024

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		41,000	Plant and Machinery		60,000
General Reserve		80,000	Building		40,000
Outstanding Expenses		12,000	Investments		60,000
Capitals :			Stock		50,000
Yuv	79,000		Debtors	38,000	
Veer	<u>48,000</u>	1,27,000	Less: Provision		
			For Bad Debts	<u>4,000</u>	34,000
			Cash		16,000
		2,60,000			2,60,000

They decided to admit Yash in the firm on 1st April, 2024 for 1/4th share in profits on the following terms :

Handwritten calculations and notes:

212500
 24
 850,000

3 | 850 000
 64 | 233 333
 206 667

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2/2/24

- (1) Yash will bring in proportionate capital and ₹ 4,000 as his share of goodwill premium in cash.
- (2) Investments were valued at ₹ 68,000.
- (3) Plant and Machinery was to be depreciated by 10%.

Prepare Revaluation Accounts and Partners' Capital Accounts.

OR

Reyansh, Aayushman and Sabhya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2024 was as under :

Balance Sheet of Reyansh, Aayushman and Sabhya as at 31-3-2024

Liabilities		Amount ₹	Assets		Amount ₹
Sundry Creditors		2,20,000	Cash		1,60,000
General Reserve		1,20,000	Debtors 1,80,000		
Capitals :			Less: Provision		
Reyansh	6,00,000		For Bad Debts <u>20,000</u>		1,60,000
Aayushman	5,00,000		Stock		2,00,000
Sabhya	<u>3,00,000</u>	14,00,000	Machinery		6,00,000
			Building		4,00,000
			Patents		1,20,000
			Profit and Loss A/c		1,00,000
		17,40,000			17,40,000

Reyansh retired on the above date and it was agreed that :

- (1) Goodwill of the firm on Reyansh's retirement was valued at ₹ 12,00,000.
- (2) Aayushman and Sabhya will share future profits in the ratio of 2 : 3.
- (3) An unrecorded creditor of ₹ 40,000 will be taken into account.
- (4) Debtors of ₹ 30,000 will be written off as bad debts.
- (5) Amount payable to Reyansh was to be transferred to his loan amount.

Pass necessary journal entries for the above transactions in the books of the firm.

Q31.

Aadish and Shreyansh were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024 their Balance Sheet was as follows :

Balance Sheet of Aadish and Shreyansh as at 31-3-2024

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		90,000	Cash at Bank		20,000
Mrs. Aadish's Loan		30,000	Stock		24,000
Shreyansh's Loan		30,000	Investments		30,000
General Reserve		45,000	Debtors 20,000		
Capitals :			Less: Provision		
Aadish	1,00,000		For Bad Debts <u>2,000</u>		18,000
Shreyansh	<u>97,000</u>	1,97,000	Plant		1,00,000
			Advertisement Suspense Account		2,00,000
		3,92,000			3,92,000

Handwritten calculations and notes at the bottom of the page:

- 71,000
- 3 | 2 | 13 | 000
- 2 | 1
- 71,000
- 204,000
- 3 | 2 | 09 | 000
- 180
- 29
- Page 9 of 11
- 71,000
- 40,500
- 68,500
- 140,500
- 62,500
- 209,000
- 400
- 60,000
- 2800
- 79,000
- 64
- 143,500
- 100 x 7
- 124

The firm was dissolved on 31st March, 2024 on the following terms :

- (i) Debtors realised ₹ 17,000 and plant realised 10% more than the book value.
 - (ii) Aadish promised to pay Mrs. Aadish's Loan and took away stock ₹ 20,000.
 - (iii) Shreyansh took away half of the investments at a discount of 10%. Remaining investments realised ₹ 4,500.
 - (iv) Creditors were paid off at a discount of 10%.
 - (v) Expenses of realisation amounted to ₹ 7,000.
- Prepare Realisation Account.

Q32.

Ram, Mohan, Sohan and Hari were partners in a firm sharing profits in the ratio of 4: 3: 2: 1. On 1-4-2024 their Balance Sheet was as follows:

Balance Sheet of Ram, Mohan, Sohan and Hari as on 1-4-2024

Liabilities		Amount ₹	Assets		Amount ₹
Capitals:			Fixed Assets		9,00,000
Ram	4,00,000		Current Assets		5,20,000
Mohan	4,50,000				
Sohan	2,50,000				
Hari	<u>2,00,000</u>	13,00,000			
Workmen Compensation Reserve		1,20,000			
		<u>14,20,000</u>			<u>14,20,000</u>

From the above date the partners decided to share the future profits in the ratio of 1 : 2 : 3 : 4. For this purpose the goodwill of the firm was valued at ₹ 1,80,000. The partners also agreed for the following :

- (i) The claim for workmen compensation has been estimated at ₹ 1,50,000.
- (ii) Adjust the capitals of the partners according to new profit sharing ratio by opening partner's current accounts.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

OR

Pass necessary journal entries for the transactions at the time of dissolution of the firm:

1. Realisation expenses ₹ 3,000 and
2. Realisation expenses amounted to ₹ 2,000, Mr. 'X' one of the partners, has to bear these expenses.
3. 'Y', one of the partners, took over a machine for ₹ 20,000.
4. 'Z', one of the partners, agreed to take over the creditor of ₹ 30,000 for ₹ 20,000.
5. 'A', one of the partners, has given loan to the firm of ₹ 10,000. It was paid back to him at the time of dissolution.
6. Profit and Loss Account balance of ₹ 50,000 appeared on the assets side of the Balance Sheet.

Q33.	<p>X, Y and Z were in partnership sharing profits and losses in the ratio of 3 : 2 : 1. Z retired from the firm on 1st April, 2019. After adjustments his Capital Account shows a credit balance of ₹ 1,00,000 on the date of retirement. Z is to be paid in four equal annual instalments from 31st March 2020 along with interest @ 10 % p.a. Prepare Z's Loan Account until he is paid the amount due on him. The firm closes its books on 31st March every year.</p>	6
Q34.	<p>On 1st April 2023, A and B entered into partnership contributing ₹ 60,000 and ₹ 45,000 respectively. They agreed to share profits and losses in the ratio of 3:2. B is allowed a salary of ₹ 12,000 per year. Interest on capital is to be allowed at 10% p.a. During the year, A withdrew ₹ 9,000 and B ₹ 18,000 as drawings. The interest on drawings of A and B was ₹ 150 and ₹ 210 respectively. Profits as at 31st March, 2024 before the above mentioned adjustments were ₹ 35,000. Show the distribution of profits by preparing Profit and Loss Appropriation Account and prepare Partners' Capital Accounts.</p>	6

10
 110
35
 75

68644
 12210
50434

3572
 57 | 17860
 156
 28
 252
3572
 10

3572
 12 | 3572
 22500
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 3572
22
 144

ADY March