OSDAV Public School, Kaithal

Half yearly Exams (2024-25)
Class : XII. **SET :A**
Subject :ACCOUNTANCY

Time: 3 Hrs . **M.M. : 80**

General Instructions:-

I. **All questions are compulsory.**

1	Manu is a Partner in a firm .He withdraws ₹4,000 per month in the middle of every month during the year ended 31st March ,2023.If Interest on drawings is charged @8% p.a ,the amount of interest on drawings will be : a) ₹2150 b) ₹1,920 c) ₹1,850 d) ₹1,410	1
2	A and R are partners with respective capital of ₹ 1,50,000 and ₹1,30,000 .C comes as a a new partner for ⅕ share and Contribute ₹1,20,000 as his capital and necessary Amount for his share of goodwill in cash .The profit amd loss Account shows a credit Balance of ₹50,000 at the time of admission. The goodwill of firm will be a) ₹30,000 b) ₹150,000 c) ₹1,00,000 d) ₹40,000	1
3	Y, a partner in Partnership Firm is to receive interest on loan of ₹1600 for the year .The journal entry for it is : a) Dr.Interest on Y loan A/c and Cr.Y cap A/c by 1600 b) Dr.cash A/c and Cr. Y Capital A/c by 1600 c) Dr.Interest on Y loan A/c and Cr.Y loan A/c by 1600 d) Dr. Interest on Y loan A/c and Cr. Y loan. A/c by 1699	1
4	Given below two statements one labeled as Assertion and other label as reason ® **ASSERTION**: Partnership is a business entity which is not separate from it's partners in any circumstances **REASON** : Partners are mutual agent of each other so far as the business of firm is concerned.Codes : A)Both assertion and reason are true and reason is the correct explanation of assertion B)Both assertion and reason are true but reason is not correct explanation of assertion C) Assertion is true but reason is false D)Assertion is false but reason is true.	1
5	Following is the balance appeared in the balance sheet of partnership firm of A and B who agrees to change their profit sharing ratio to 3:2 <table><tr><td>Liabilities</td><td>₹</td><td>Assets</td><td>₹</td></tr><tr><td>INVESTMENT FLUCTUATION FUND</td><td>50,000</td><td>INVESTMENT</td><td>1,50,000</td></tr></table>The amount credited to the B's capital account regarding the fund is 20,000.Identify the market value of investment A) 1,40,000. B) 1,50,000. C) 1,00,000. D) 1,60,000	1
6	In Case of dissolution Assets are transferred to Realisation Account a) At book value b) At market value c) Cost or Market value whichever is lower d) None of above	1

7	How much assets will be paid to A ,If his opening capital is ₹2,00,000 and his share of Realization Profit amounts to ₹ 10,000 and he has taken over assets value ₹25,000 from the firm? a) ₹2,35,000. b) ₹1,65,000. C) ₹2,15,000 d) ₹1,85,000	1
8	A,B and C are partners sharing profits in 5:3:2.C retires and his share was purchased by A and B by giving him (c)₹ 10,000 each from their capital Accounts .What will be the value of goodwill of firm? A) 20,000. B) 1,00,000. C) 50,000. D) 1,20,000	1
9	X and Y are partners sharing profits in the ratio of 4: 3. Z is admitted for 1/5th share and he brings in ₹1,40,000 as his share of goodwill in cash of which ₹1,20,000 is credited to X and remaining amount to Y. New profit sharing ratio will be : (A) 4:3:5. (B) 1:2:2. (C) 2:2:1 (D) 2:1:2	1
10	On dissolution of a firm Balance Sheet total is ₹77,000.On the assets side of Balance Sheet item were shown preliminary expense ₹3000.Profit and loss Account (debit) balance ₹4,000 and cash balance 1800Loss on realization was ₹6300 Total assets (including cash balance) realised will be : A) ₹62900 B) ₹63,700 C) ₹64,700 D) ₹63900	1
11	It is better to use the Weighted Average Profit 'Method of Calculation of Goodwill when a) Profit Shows a rising Trend b) The profit shows a diminishing Trend c) The profit may show either rising or diminishing trend d) The profit don't show any rising or diminishing trend .	1
12	Guarantee Given to partner A by the other partners B&C means A) In case of loss A will not Contribute toward loss B) In case of insufficient profits A will receive only minimum guaranteed amount C) In case of insufficient profits A will withdraws minimum guaranteed amount D) All of above	1
13	Given below two statements one labeled as Assertion and other label as reason (R Assertion: Dissolution of Partnership requires court Approval. **Reason**:Under dissolution of Partnership existing economic relations comes to end A)Both assertion and reason are true and reason is the correct explanation of assertion B)Both assertion and reason are true but reason is not correct explanation of assertion C) Assertion is true but reason is false D)Assertion is false but reason is true.	1
14	Rent payable to partner will be : A) Debited to Profit And loss Account B) Debited to Profit and loss Appropriation Account C) Credited to Partner capital Account D) Credited to Rent Account	1
	Read the hypothetical situation and answer the question no 17 and 18 Richa and Anmol are partners sharing profits in the ratio of 3:2 with capitals of ₹2,50,000 and ₹1,50,000 respectively. Interest on capital is agreed @ 6% p.a. Anmol is to be allowed an annual salary of 12,500. During the year ended 31st March 2023, the profits of the year prior to calculation of interest on capital but after charging	1

	Anmol's salary amounted to ₹62,000.A provision of 5% of this profit is to be made in respect of manager's commission Following is their Profit & Loss Appropriation Account	

Particulars	Amount	Particulars	Amount
To Interest on capital Richa Anmol To Anmol salaryA/c To profit transferred to Richa capital a/c Anmol capital A/c	 _____ ____ 12,500 —-(1)	By Profit and loss A/c (after manager commission)	—(2)

15	The amount to be reflected in blank (1) a) ₹37,200. b)₹ 44,700 c) ₹22,800. d) ₹20,940	1
16	The amount reflected in blank (2) will be : a) ₹62,000. b) ₹74,500. c) ₹71,400 d) ₹70,775	1
17	If total assets are ₹2,00,000 ,total Outside Liabilities are ₹40,000,amount realised on sale of assets is ₹ 1,75,000 and Realisation expenses are ₹3,000,the profits or loss on realization will be A) Profit ₹12,000 B) loss ₹68,000 C) loss ₹28,000 D) Loss ₹25,000	1
18	At what rate interest payable on the amount remaining Unpaid to the executor of deceased partner in absence of any agreement among partners ,when he opts for interest not share of profits : A) 12% B) 8% C) 6% D) 7.5%	1
19	On the day of dissolution partners had capital amounting to ₹ 1,50,000 ,external Liabilities ₹35,000 ,Cash balance ₹8,000 and P&l (dr) ₹7,000 .If realisation expense and loss on realization amounted to₹ 5,000 and ₹25,000 respectively. The amount realized from sale of assets is _____	1
20	Which of the following will be subtracted Fromprevious year profit for finding normal profit for valuation of goodwill a)Profit on sale of Fixed Assets b) loss due to fire c) overvaluation of closing stock d) A and C both	1
21	Mayank and Manik are partners in a firm. Mahesh was admitted in the firm for 1/4th share. On the date of admission, General Reserve of 16,000 was shown in the books of account. Mahesh brought his share of goodwill ₹4,000 in cash, his capital was determined ₹ 50,000. Mahesh brought Stock 8,000, Building ₹20,000, Debtors 12,000 and rest amount cash as his capital.**Give necessary Journal entries at the time of admission of Mahesh**.	3
22	Atharva, Astha and Asha were partners sharing profit in the ratio of 3:2:1. Their capital were 90,000 ,80,000 and 70,000 respectively. According to partnership deed they	3

	were entitled to (a) Interest on capital at 8% p.a. (b) Asha was entitled monthly salary of ₹ 600. In addition, interest on drawing charged @ 6% pa, which is calculated for Atharva 350, Astha 250 and Asha₹100.The net profits for the year 1,50,000 were distributed equally without providing the above. **Pass the necessary adjustment entry showing the workings clearly**.	
23	A and B were partners from 1st April, 2020 with capitals of ₹60,000 and ₹40,000 respectively. They shared profits in the ratio of 3:2. They carried on business for two years. In the first year ended 31st March, 2021, they earned a profit of 50,000 but in the second year ended 31st March, 2022, a loss of 20,000 was incurred. As the business was no longer profitable, they dissolved the firm on 31st March, 2022. Creditors on that date were 20,000. The partners withdrew for personal use ₹8,000 per partner per year. The assets realized ₹ 1,00,000. The expenses of Realization were₹ 3,000.**Prepare Memorandum balance** sheet as **at 31st March 2022**.	3
24	Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3: 4: 3. Books were closed on 31st March every year. Sara died on 1st February, 2023. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2022 was₹10,00,000 and profit for the same year was₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%.Journalise the transaction along with the working notes.	3
25	Pass the necessary Journal entries on the dissolution of a partnership firm in the following cases: A)Mohan, a creditor of ₹60,000 accepted Plant of ₹ 78,000 and balance paid to the firm. B)Sohan, a second creditor of ₹80,000 accepted Furniture of the book value of 60,000 for ₹47,000 and balance was paid to him by cheque. C) Rohan, a third creditor of ₹ 1,20,000 accepted equipment of the book value of 95,000 in full settlement of his claim. (D)An unrecorded asset of₹ 20,000 was purchased by Sumit, a partner for cash at an agreed value of ₹ 18,000.	4
26	Riddhi, Siddhi and Vidhi were partners sharing profits and losses in the ratio of 7:5:3, w.e.f 01 April, 2023 they decided to share future profits and losses in the ratio of 5:4:1. Goodwill of the firm on the date of reconstitution was valued at ₹ 3,00,000. The following balances were also appearing on the date of reconstitution. General Reserve ₹ 2,40,000 Deferred Revenue Expenditure ₹ 1,80,000 Profit and Loss (Dr.) Balance ₹ 7,20,000 Partners decided to continue with above three balances in the books of the firm. Pass necessary entries in the books of the firm. Show your working clearly.	4
27	Mita, Rita and Sandra were partners in a firm, sharing profits and losses in the ratio of 2:2:1. Mita had personally guaranteed that in any year Sandra's share of profit, after allowing interest on capital to all the partners @5% per annum and charging Interest on drawings @4% per annum, would not be less than 10,000 **The capitals of the partners on** 1st April, 2015 were : Mita ₹80,000, Rita ₹50,000 and Sandra ₹30,000. The net profit for the year ended 31st March, 2016, before allowing or charging any	4

	interest amounted to ₹40,000.Mita had withdrawn ₹4,000 on 1st April 2015,while Sandra withdrew ₹5,000 during the year you are required to prepare a Profit and Loss Appropriation Account for the year ending 2015-16	

28 Calculate goodwill of a firm on the basis of three years purchases of the WeightedAverage Profits of the last four years. The profits of the last four years were 4

Ending 31st March	2020	2021	2022	2023	
Profit	28,000	27,000	46900	53810	

a) On 1st April, 2020 a major plant repair was undertaken for ₹10,000 which was charged to revenue. The said sum is to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% on reducing balance method.
b) For the purpose of calculating Goodwill the company decided that the years ending 31.03.2020 and 31.03.2021 be weighted as 1 each (being COVID affected) and for year ending 31.03.2022 and 31.03.2023 weights be taken as 2 and 3 respectively.

29 Balance Sheet of P and Q who share profit and losses in the ratio 5:3 as at 31st March ,2024 as follow 4

Liabilities	₹	Assets	₹
Capital A/c		Land and Building	3,00,000
P :	2,50,000	Machinery	2,00,000
Q	1,50,000	Stock	70,000
Profit and loss A/c	1,30,000	Debtor	30,000
Workmen compensation reserve	60,000	Cash	10,000
Sundry creditor	50,000	Advertisement expenditure	30,000
	6,40,000		6,40000

They admit R as a partner for ⅓ share in the profits of the firm which he acquired from P And Q in the ratio 3:1 .R brings ₹4,00,000 as his capital ascertain the amount of goodwill of Firm and pass journal entries on admission of R

30 Pass the necessary journal entries at the time of admission of partner 4

1) Unrecorded assets of ₹ 50,000 given to Unrecorded Creditor of 70,000 and remaining were to be paid later on
2) 20% of reserve amounting to ₹6,000 were kept aside for provision for doubtful debts
3) An old customer Mohit whose Account has written off as bad debts promised to pay 7,000 in full settlement of debt of ₹10,000
4) Land of ₹ 1,80,000 was under valued by 20%

31 V,W and X were carrying out a partnership business sharing profits in the ratio of 2:1:1. Their Balance Sheet as at 31st December 2019 was as follows: 6

Balance Sheet as at 31.12.2019

		Particular ₹ Particular ₹

Particular	₹	Particular	₹
Bills Payable Sundry Creditors Capital A/c V - 75,000 W-50,000 X- 55,000 P&I	10,600 11,000 1,80,000 1400 2,03,000	Building PlantandMach Stock Debtors 22000 -prov (400) Bank Cash	70,000 78,000 16,000 21600 7500 9,900 2,03,000

V retires and on that date this agreed

The value of BuildingIs increased to 96,000

Provision For doubtful debts maintained at 3%

Plant and Machinery 20%less

Goodwill of the firm is 36,000.Partners agrees to continue in their profit Sharing ratio and adjust capital accordingly

Revaluation profit ₹8340.Prepare capital A/c and Balancesheet .

32 Rohit and Mohit were partner In a firm sharing profits in the ratio 3:2 .on 31st March2023 their balance sheet shows as follow 6

Liabilities	Amount	Assets	Amount
Capital A/c Rohit. : 3,00,000 Mohit : 1,50,000 Current A/c Rohit 50,000 Mohit 10,000 Creditors General reserve	 4,50,000 60,000 75,000 60,000 6,45,000	Fixed Assets (tangible) Goodwill Investment Stock Debtors. 1,00,000 Less Provision 4,000 Bank	3,60,000 50,000 40,000 74,000 96,000 25,000 6,45,000

With an aim to expand business it is decided to admit gopal as a partner on first April 2023 on following terms

A) provision for doubtful that is to be increased to 6% of debtors.

B) An outstanding bill for repair ₹ 50,000 to be accounted in the books.

C) An Unaccounted interest accrued ₹7500 be provided for.

D) Investments were sold at book value.

E)Half of Stock taken by rohit at rupees 42000 and remaining stock was also to be revalued at the same rate.

F) New profit sharing ratio of partner will be 5:3:2.

G) Gopal will bring Rs1,00,000 as capital and his share of goodwill which was valued at twice the average profit of the last 3 years ending 31st March 2023, 2022 and 2021 were Rs1,50,000, Rs1,30,000 Rs1,70000 respectively.

Pass necessary journal entries

33 Sandeep, Maheep and Amandeep were partners in a firm sharing profits in the ratio of 2: 2: 1. The firm closes its books on 31st March every year. On 30th June, 2020 Maheep died. The partnership deed provided that on the death of a partner his executors will be entitled to the following:
(a) Balance in his capital account which amounted to ₹1,15,000 and interest on capital till date of death which amounted to ₹5,000. (b) His share in the profits of the firm till the date of his death amounted to ₹20,000. (c) His share in the goodwill of the firm. The goodwill of the firm on Maheep's death was valued at ₹1,50,000.
(d) Loan to Maheep amounted ₹20,000.It was agreed that the amount will be paid to his executor in three equal yearlyinstalments with interest @10% p.a. The first instalment was to be paid on 30.06.2021.**Calculate the amount to be transferred to Maheep's executors Account and prepare the executor's account till it is finally settled.** 6

34 A, B and C shared profits in the ratio 3:2:1 .They dissolved the firm and appointed A to realise the asset **.A is to receive 5%** commission On sale of assets (except cash) and is to bear all the expense of Realisation. The position of the firm was as follow 6

Liabilities	₹	Assets	₹
Bank overdraft	25,000	Cash in Hand	22 500
Creditors	60,000	Debtors	52,300
Provident Fund	12,000	Stock	36,000
IFR	6,000	Investment	15,000
Commission receive in advance	8,000	Plant	91 200
Capital		Profit and loss A/c	54,000
A			
B	90,000		
C	60,000		
	10,000		
	2,71,000		2,71,000

Informations: 1. A realised the assets as follows:- Debtors ₹30,000; Stock ₹26,000; Investments at 75% value; Plant at ₹42,750. Expenses of realisation met by A amounted to ₹4,100.
2. Commission received in advance is returned to the customers after deducting ₹3,000 for work done.
3. Firm had to pay ₹7,200 for outstanding salaries, not provided for earlier.
4. Compensation to employees paid by the firm amounted to ₹9,800. This liability was not provided for in the above balance sheet.
5. ₹25,000 had to be paid for Provident Fund.
Prepare Realization A/c .

SET A MARKING SCHEME XII ACCTS

<table>
<tr><td>1</td><td>B.₹960</td><td>1</td></tr>
<tr><td>2</td><td>b ₹2,50,000</td><td>1</td></tr>
<tr><td>3</td><td>b ₹Profit and loss A/c</td><td>1</td></tr>
<tr><td>4</td><td>A.Both Assertion and reason are true and R is correct explanation of A</td><td>1</td></tr>
<tr><td>5</td><td>A.₹3,60,000</td><td>1</td></tr>
<tr><td>6.</td><td>A.at boom value</td><td>1</td></tr>
<tr><td>7.</td><td>A.₹2,35,000</td><td>1</td></tr>
<tr><td>8</td><td>C.₹4,00,000</td><td>1</td></tr>
<tr><td>9.</td><td>A.16:12:7</td><td>1</td></tr>
<tr><td>10</td><td>A.₹64,700</td><td>1</td></tr>
<tr><td>11</td><td>C.Normal Method</td><td>1</td></tr>
<tr><td>12</td><td>B.₹19,000</td><td>1</td></tr>
<tr><td>13</td><td>D.Assertion Is false but Reason Is true</td><td>1</td></tr>
<tr><td>14</td><td>A.Debited to Profit and Loss Acc.</td><td>1</td></tr>
<tr><td>15</td><td>20940</td><td>1</td></tr>
<tr><td>16</td><td>B ₹71,400</td><td>1</td></tr>
<tr><td>17</td><td>C.loss ₹31,000</td><td>1</td></tr>
<tr><td>18</td><td>C.₹6%</td><td>1</td></tr>
<tr><td>19</td><td>1,64,000</td><td>1</td></tr>
<tr><td>20</td><td>B. Loss due to fire</td><td>1</td></tr>
<tr><td>21</td><td>In the books of E,F and G
<table>
<tr><th>Date</th><th>Particulars</th><th>L.f</th><th>Debit</th><th>Credit</th></tr>
<tr><td>31 March</td><td>Int On Capital
To E Current A.c
To F Current A.c
To G Current A.C</td><td></td><td>1,44,000</td><td>
36000
48000
60000</td></tr>
</table>
</td><td>3</td></tr>
</table>

	P&Loss A/c Dr To Int on capital E Current A/c F Current A/c G Current A/c To p&Loss A/c		144000 10200 10200 13600	 144000 34000

22 Table showing Adjustment — 3

Particulars	Kumar	Raja	Total
Int on capital. Cr.	81,000	36,000	1,17,000
Salary Cr.	50,000	36,000	86,000
	131000	72000	203000
Division of loss Dr.	(1,42,100)	(60,900)	(2,03,000)
Net Effect	11,100	11,100	-

Journal Entry :
31 March. Kumar Current A.c Dr. : 11,100
To Raja Current A.c. 11,100

23 Calculation of opening capital of A and B — 2+1

	A	B
Opening capital(as on 1st April 2017 + Profit - Drawings - Loss - Drawings	60,000 30,000 (8000) 82000 (12000) (8000)	40,000 20,000 (8,000) 52000 (8000) (8000)
Closing capital	62000	36000

<table>
<tr><td></td><td>Memorandum Balance Sheet
<table><tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr><tr><td>Capital
A 62000
B 36000

Creditors</td><td>98000

20000</td><td>Sundry Assets</td><td>1,18,000</td></tr></table></td><td></td></tr>
<tr><td>24</td><td>Ratio for sale and profit = 80,000/4,00,000 = 20%
Sale increase by 25% = 1,00,000
4,00,000 +1,00,000 = 5,00,000
Profit increased by 4% =24%
New profit = 5,00,000×24% = 1,20,000
Share of B = 1,20,000×2/5 × 4/12 =16,000
P &Loss suspense A.C Dr. = 16,000
To B capital A.C. = 16,000

B Capital A/c dr. : 16,000
To B executor's 16,000</td><td>2+1</td></tr>
<tr><td>25</td><td>Journal entries
<table><tr><th>Date</th><th>Particulars</th><th>L.F</th><th>Dr.</th><th>Cr.</th></tr><tr><td>1.</td><td>Carol's Capital A/c Dr.
Bank Ac Dr.
To Realisation A/c
(Half of the investments taken over by Carol and the remaining half realised cash)</td><td></td><td>14,700
17,700</td><td>

32,400</td></tr><tr><td>2.</td><td>Realisation A/c Dr.
To Lacy's Capital A/c
To Bank Ac
(Remuneration allowed to Lacy and expenses paid by the firm on her behalf)</td><td></td><td>13,000</td><td>
8,000
5,000</td></tr><tr><td>3.</td><td>Carol's Loan A/c Dr.
To Bank Ac
(Carol's Loan paid off)</td><td></td><td>89,000</td><td>
89,000</td></tr><tr><td>4.</td><td>Realisation A/c Dr.
To Lacy's Capital A/c
(Brother's loan at a discount of 5% taken over by Lacy)</td><td></td><td>12,350</td><td>
12,350</td></tr></table></td><td>4</td></tr>
<tr><td>26</td><td>Old Ratio: 7:5:3 New Ratio: 5:4:1
Rohini Sacrifice = 7/15 – 5/10 = (-1/30) (gain)
Mohini Sacrifice = 5/15 – 4/10 = (-2/30) (gain)
SohiniSacrifice = 3/15 – 1/10 = 3/30
Vidhi's Sacrifice (Amount)= 6,60,000 × 3/30 = 66000
Net effect</td><td>1+1
+2
=4</td></tr>
</table>

<table>
<tr>
<td></td>
<td>
(+)General Reserve
2,40,000 (-) Deferred Revenue Expenditure
(1,80,000) (-) Profit and Loss A/c (Dr.)
(7,20,000)
(6,60,000)
<table>
<tr><td>Rohini capital A/c Dr
Mohini capital A/c Dr
To sohini cap A/c
(Adjustment of goodwill</td><td>10,000
20,000</td><td>

30,000</td></tr>
<tr><td>Sohini cap A/c. Dr
To Rohini capital A/c Dr
To Mohini cap A/c dr
(Adjustment entry passed)</td><td>66,000</td><td>
22,000
44,000</td></tr>
<tr><td></td><td></td><td></td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>
Profit and Loss Adjustments Account
Dr Cr
<table>
<tr><th>Particulars</th><th></th><th>₹</th><th>Particulars</th><th>₹</th></tr>
<tr><td>To profit transferred to</td><td></td><td></td><td>By Profit and Loss a/c</td><td>40,000</td></tr>
<tr><td>Pinki's Capital</td><td>20,000</td><td></td><td></td><td></td></tr>
<tr><td>(-) Kaku</td><td>500</td><td>19,500</td><td></td><td></td></tr>
<tr><td>Deept's Capital</td><td>16,000</td><td></td><td></td><td></td></tr>
<tr><td>(-) Kaku</td><td>500</td><td>15,500</td><td></td><td></td></tr>
<tr><td>Kaku's capital</td><td>4,000</td><td></td><td></td><td></td></tr>
<tr><td>(+) Pinki</td><td>500</td><td></td><td></td><td></td></tr>
<tr><td>(+) Deeph</td><td>500</td><td>5,000</td><td></td><td></td></tr>
<tr><td></td><td></td><td>40,000</td><td></td><td>40,000</td></tr>
</table>

Journal Entries

Profit and loss A/c Dr. :40,000
To Profit and loss app A.C 40,000

Profit and loss Appropriation A/c :40,000
To Pinki cap. : 20,000
To Deepti Cap. : 16,000
To Kaku cap. : 4,000

Pinki Cap A/c. Dr : 500
Deepti Cap A/c. Dr : 500
ToKaku Cap : 1000

Note : Not necessary to prepare P&Loss Adjustment Account students can simply present in working notes
</td>
<td>1+3</td>
</tr>
</table>

28

20

Years (ending 31st March)	Adjusted Profit (₹)	Weights	Product (₹)
2020	28,000	1	28,000
2021	36,000	1	36,000
2022	46,000	2	92,000
2023	53,000	3	1,59,000
Total		7	3,15,000

Adjusted Profits	2020	2021	2022	2023
Given Profits Add Capital Expenditure Charged to Revenue	28,000	27,000 10,000	46,900	53810
Less: Unprovided Depreciation		(1,000)	(900)	(810)
Adjusted Profits	28,000	36,000	46,000	53,000

Weighted Average Profit = 3,15,000/7
=₹45,000

Goodwill = 45,000 × 3 = ₹1,35,000

Notes to Solution
(i) Depreciation of 2021= 10% of 10,000
= 10,000 × 10/100 =₹1,000
(ii) Depreciation of 2022 = 10% of 9000
= 9,000x10/100= ₹900
(iii) Depreciation of 2022 = 10% of 8,100
= ₹8,100

Marks: 4= ½ for each adjustment

29

SOLUTION :

JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
2024 April 1	Profit and Loss A/c	Dr.		1,30,000	
	Workmen Compensation Reserve A/c	Dr.		60,000	
	To *P*'s Capital A/c				1,18,750
	To *Q*'s Capital A/c				71,250
	(Transfer of accumulated profits to old partners in their old profit sharing ratio)				
April 1	*P*'s Capital A/c	Dr.		18,750	
	Q's Capital A/c	Dr.		11,250	
	To Advertisement Expenditure A/c				30,000
	(Transfer of accumulated loss to old partners in their old profit sharing ratio)				
April 1	Bank A/c	Dr.		4,00,000	
	To *R*'s Capital A/c				4,00,000
	(Amount brought in by *R* as his Capital)				
April 1	*R*'s Current A/c	Dr.		80,000	
	To *P*'s Capital A/c				60,000
	To *Q*'s Capital A/c				20,000
	(*R*'s share of goodwill credited to *P* and *Q* in their sacrificing ratio of 3 : 1)				

Working Note :

Calculation of Hidden Goodwill :

		₹
Total of Capital of the new firm on the basis of *R*'s Capital : ₹4,00,000 × $\frac{3}{1}$ =		12,00,000
Less : Net worth of new firm :		
Adjusted Capital of *P* (₹2,50,000 + ₹1,18,750 – ₹18,750)	3,50,000	
Adjusted Capital of *Q* (₹1,50,000 + ₹71,250 – ₹11,250)	2,10,000	
Capital of *R*	4,00,000	9,60,00
Value of Firm's Goodwill		2,40,00

R's share of Goodwill = ₹2,40,000 × $\frac{1}{3}$ = ₹80,000.

7

Marks: ½ for each entry + 1 for working notes

30

1.Revaluation A/c. DR : 20,000
TO Creditor A/c. :20,000

Marks: 4

32

Revaluation Account

Debit | Credit

Particulars	Amount (Rs.)	Particulars		Amount (Rs.)
To Workmen's Compensation Claim A/c	5,000	By Bad Debts Recovered A/c		2,000
		By Patents A/c		2,000
To Stock A/c	3,000	By Loss transferred to:		
		Madan's Capital A/c	2,400	
		Mohan's Capital A/c	1,600	4,000
Total	8,000	Total		8,000

Partners' Capital Account

Debit | Credit

Particulars	Madan (Rs.)	Mohan (Rs.)	Gopal (Rs.)	Particulars	Madan (Rs.)	Mohan (Rs.)	Gopal (Rs.)
To Revaluation A/c (Loss)	2,400	1,600	-	By Balance b/d	60,000	40,000	-
To Balance c/d	63,600	52,400	23,200	By General Reserve A/c	6,000	4,000	-
				By Premium for:			
				Goodwill A/c (WN 1)	-	10,000	-
				By Bank A/c (WN 2)	-	-	23,200
	66,000	54,000	23,200		66,000	54,000	23,200

6

33

27/06/24

Sol 8

Q5

Dr — C's Executor A/c — Cr

DATE	PARTICULAR	AMT	DATE	PARTICULAR	AMT
1/7/16	To Bank A/c	70,600	30/6/16	By C's capital A/c	70,600
31/3/17	To Balance c/d	64,500	31/3/17	By Interest A/c $\left[60{,}000 \times \frac{10}{100} \times \frac{9}{12}\right]$	4500
		75,100			75,100
30/6/17	To Bank A/c [20,000 + 1500 + 4500]	26,000	1/4/17	By Balance b/d	64,500
31/3/18	To Balance c/d	43,000	30/6/17	By Interest A/c $\left[60{,}000 \times \frac{10}{100} \times \frac{3}{12}\right]$	1,500
			31/3/18	By Interest A/c $\left[40{,}000 \times \frac{10}{100} \times \frac{9}{12}\right]$	3000
		69,000			69,000
30/6/18	To Bank A/c [20000 + 3000 + 1000]	24,000	1/4/18	By Balance b/d	43,000
	To Balance c/d	21,500	30/6/18	By Interest A/c $\left[40000 \times \frac{10}{100} \times \frac{3}{12}\right]$	1000
			31/3/19	By Interest A/c $\left[20{,}000 \times \frac{10}{100} \times \frac{9}{12}\right]$	1,500
		45,500			45,500
30/6/19	To Bank A/c [20,000 + 500 + 1500]		1/4/19	By Balance b/d	21,500
			30/6/19	By Interest A/c $\left[20{,}000 \times \frac{10}{100} \times \frac{3}{12}\right]$	500
		22,000			22,000

6

34

Dr. — REALISATION ACCOUNT — Cr.

Particulars	₹	Particulars		₹
To Debtors	52,300	By Bank Overdraft		25,000
To Stock	36,000	By Creditors		60,000
To Investments	15,000	By Provident Fund		12,000
To Plant	91,200	By Investment Fluctuation Fund		6,000
To A's Capital A/c (5% on ₹1,10,000)	5,500	By Commission Recd. in advance		8,000
To Bank A/c (Advance Commission returned)	5,000	By Bank A/c:		
To Bank A/c (Outstanding salaries paid)	7,200	Debtors	30,000	
To Bank A/c (Compensation paid)	9,800	Stock	26,000	
To Bank A/c (Bank Overdraft paid)	25,000	Investments	11,250	
To Bank A/c (Creditors and Provident Fund)	85,000	Plant	42,750	1,10,000
		By Loss transferred to:		
		A's Capital A/c	55,500	
		B's Capital A/c	37,000	
		C's Capital A/c	18,500	1,11,000
	3,32,000			3,32,000

4

OSDAV Public School, Kaithal

Half yearly Exams (2024-25) **SET :B**

Class :XII

Subject :ACCOUNTANCY

Time: 3 Hrs . **M.M. 80:**

General Instructions:-

I. **All questions are compulsory.**

1	Tanu is a Partner in a firm .He withdraws ₹4,000 per month in the middle of every month during the year ended 31st March ,2023.If Interest on drawings is charged @4% p.a ,the amount of interest on drawings will be : a) ₹1075 b) ₹960 c) ₹1,850 d) ₹1,410	1
2	S and T are partners with respective capital of ₹ 1,50,000 and ₹1,30,000 .C comes as a new partner for ⅕ share and Contribute ₹1,20,000 as his capital and necessary Amount for his share of goodwill in cash .The profit and loss Account shows a debit Balance of ₹50,000 The goodwill of firm will be a) ₹2,50,000 b) ₹150,000 c) ₹1,00,000 d) ₹90,000	1
3	Y, a partner in Partnership Firm has paid interest on loan of ₹1600 for the year to the firm .The Interest received from Y is closed by transferring to a) Profit &Loss Appropriation A/c. b)Profit &Loss A/c c) Y loan A/C. d)Y Capital A/c	1
4	**ASSERTION**: Act of a partner is binding on another partner **REASON** : Partners are mutual agent of each other so far as the business of firm is concerned..**Codes** A)Both assertion and reason are true and reason is the correct explanation of assertion B)Both assertion and reason are true but reason is not correct explanation of assertion C) Assertion is true but reason is false D)Assertion is false but reason is true.	1
5	Following is the balance appeared in the balance sheet of partnership firm of A and B who agrees to change their profit sharing ratio to 3:2 <table><tr><td>Liabilities</td><td>₹</td><td>Assets</td><td>₹</td></tr><tr><td>INVESTMENT FLUCTUATION FUND</td><td>50,000</td><td>INVESTMENT</td><td>4,50,000</td></tr></table>The amount credited to the B's capital account regarding the revaluation loss is 20,000.Identify the market value of investment A) 3,60,000 B) 3,50,000. C) 3,00,000. D) 1,60,000	1
6	In Cass of dissolution Assets are transferred to Realisation Account a) At book value b)At market value c)Cost or Market value whichever is lower d)None of above	1
7	How much amount will be paid to B ,If his opening capital is ₹2,00,000 and his share of Realization Profit amounts to ₹ 10,000 and he has taken over Liabilities value ₹25,000 from the firm? a) ₹2,35,000. b) ₹1,65,000. C) ₹1,95,000 d) ₹1,85,000	1
8	A,B and C are partners sharing profits in 5:3:2.C retires and his share was purchased by A and B by giving him (c)₹ 40,000 each from their capital Accounts .What will be the value of goodwill of firm?	1

A) 2 ,00,000. B) 1,00,000. C) 4,00,000. D) 1,20,000

9 X and Y are partners sharing profits in the ratio of 4: 3. Z is admitted for 1/5th share and he brings in ₹1,40,000 as his share of goodwill in cash of which ₹80,000 is credited to X and remaining amount to Y. New profit sharing ratio will be : **1**

(A) 16:12:7. (B) 1:2:2. (C) 13:11:9 (D) 11:9:5

10 On dissolution of a firm Balance Sheet total is ₹77,000.On the assets side of Balance Sheet item were shown preliminary expense ₹2000.Profit and loss Account (debit) balance ₹4,000 and cash balance 1800.Loss on realization was ₹6300 Total assets (including cash balance) realised will be : **1**

A) ₹62900 B) ₹71,000 C) ₹64,700 D) ₹63900

11 Which of the following is not a method for calculation of goodwill: **1**

a) Average profit method. b)Super average profit method
C) Normal method. d)Weighted Average Profit method

12 On dissolution of a firm, Partner took over investment of ₹15,000 at ₹19,000 by how much amount the Realization Account will be credited ? **1**

A) ₹4000. B) ₹19,000. C) NIL. D) ₹23,000

13 Given below two statements one labeled as Assertion and other label as reason (R) **1**

Assertion: Dissolution of Partnership requires court Approval.
Reason :Under dissolution of Partnership existing economic relations comes to end
A)Both assertion and reason are true and reason is the correct explanation of assertion
B)Both assertion and reason are true but reason is not correct explanation of assertion
C) Assertion is true but reason is false
D)Assertion is false but reason is true.

14 Rent payable to partner will be closed by transferring to **1**

a)Debited to Profit And Loss Account. b)Debited to P&I App.Account
c)Credited to Partap capital Account d)Credited to rent payable Account

Read the hypothetical situation and answer the question no 17 and 18

Richa and Anmol are partners sharing profits in the ratio of 3:2 with capitals of ₹2,50,000 and ₹1,50,000 respectively. Interest on capital is agreed @ 6% p.a. Anmol is to be allowed an annual salary of 12,500. During the year ended 31st March 2023, the profits of the year prior to calculation of interest on capital but after charging Anmol's salary amounted to ₹62,000.A provision of 5% of this profit is to be made in respect of manager's commission.Following is their P&I Appropriation Account

Particulars	Amount	Particulars	Amount
To Interest on capital Richa& Anmol To Anmol salaryA/c To profit transferred to Richa capital a/c Anmol capital A/c	_____ ____ 12,500 —-(1)	By Profit and loss A/c (after manager commission)	—(2)

15 The amount to be reflected in blank (1) **1**

a) ₹37,200. b)₹ 44,700 c) ₹22,800. d) ₹20,940

16	The amount reflected in blank (2) will be : a) ₹62,000. b) ₹74,500. c) ₹71,400 d) ₹70,775	1
17	If total assets are ₹2,00,000 ,total external Liabilities are ₹40,000,amount realised on sale of assets is ₹ 1,75,000 and Realisation expenses are ₹6,000,the profits or loss on realization will be A) Profit ₹72,000 B) loss ₹31,000 C) loss ₹28,000 D) Loss ₹25,000	1
18	At what rate interest payable on the amount remaining Unpaid to the executor of deceased partner in absence of any agreement among partners ,when he opts for interest not share of profits : A) 12% B) 8% C) 6% D) 7.5%	1
19	On the day of dissolution partners had capital amounting to ₹ 1,50,000 ,external Liabilities ₹35,000 ,Cash balance ₹8,000 and P&I (cr) ₹7,000 .If realization expense and loss on realization amounted to₹ 5,000 and ₹25,000 respectively. The amount realized from sale of assets is _____	1
20	Which of the following will be added to previous year profit for finding normal profit for valuation of goodwill a) Profit on sale of Fixed Assets b) loss due to fire c) overvalutaion of closing stock d) B and C both	1
21	E, F and G were partners in a firm sharing profits in the ratio of 3:3:4. Their respective fixed capitals were E: ₹3,00,000; F: ₹4,00,000 and G: ₹5,00,000. The partnership deed provided for allowing interest on capital @ 12% p.a. even if it results into a loss to the firm. The net profit of the firm for the year ended 31st March, 2018 was ₹1,10,000.Pass necessary journal entries for allowing interest on capital and division of profit/loss in the book of the firm..	3
22	Kumar and Raja were partners in a firm sharing profits in the ratio of 7:3. Their fixed capital were: Kumar ₹9,00,000 and Raja ₹4,00,000. The partnership deed provided for the following but the profit for the year was distributed without providing for: i) Interest on capital @ 9% per annum. ii) Kumar's salary ₹50,000 per year and Raja's salary ₹3,000 per month. The profit for the year ended 31st march,2018 was ₹2,78,000.Pass adjustment entry.	3
23	A and B were partners from 1st April, 2020 with capitals of ₹60,000 and ₹40,000respectively. They shared profits in the ratio of 3:2. They carried on business for two years. In the first year ended 31st March, 2021, they earned a profit of 50,000 but in the second year ended 31st March, 2022, a loss of 20,000 was incurred. As the business was no longer profitable, they dissolved the firm on 31st March, 2022. Creditors on that date were 20,000. The partners withdrew for personal use ₹8,000 per partner per year. The assets realized ₹ 1,00,000. The expenses of Realization were₹ 3,000.Prepare Memorandum Balance sheet as at 31st March 2022.	3
24	A, B and C were partners in a firm sharing profits and losses in the ratio of 2:2:1. Their books are closed on March 31st every year.B died on 1st August, 2019. The executors of B are entitled to his share of profits .His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended March, 31st ,2019 was ₹4,00,000 and profit for the same year was ₹80,000. Sales shows a growth trend of 25% and the percentage of profit earned has increased by 4%. Pass necessary Journal Entries and show the working clearly.	3

25 Carol and Lacy were partners. They decided to dissolve their firm. Pass the journal entries for the following after various assets and external liabilities have been transferred to Realisation A/c: **4**

1.Carol took over half of the investments worth Rs. 30,000 at 2% discount and the remaining investments were sold at a profit of 18% of the book value.
2.Lacy is allowed a remuneration of Rs. 13,000 for dissolution work and is to bear all the expenses of realization which amounted to Rs. 5,000 were paid by the firm.
3. Carol had given a loan of Rs. 89,000 to the firm which was duly paid.
4. Lacy agreed to pay off her brother's loan of Rs. 13,000 at a discount of 5%

26 Rohini, Mohini and Sohini were partners sharing profits and losses in the ratio of 7:5:3, w.e.f 01 April, 2023 they decided to share future profits and losses in the ratio of 5:4:1. Goodwill of the firm on the date of reconstitution was valued at ₹ 3,00,000. The following balances were also appearing on the date of reconstitution. **4**

General Reserve ₹ 2,40,000
Deferred Revenue Expenditure ₹ 1,80,000
Profit and Loss (Dr.) Balance ₹ 7,20,000
Partners decided to continue the above three balances in the books of the firm. Pass necessary entries in the books of the firm. Show your working clearly.

27 Pinki, Deepati and Kaku are partner's sharing profits in the ratio of 5:4:1. Kaku is given a guarantee that his share of profits in any given year would not be less than ₹ 5,000. Deficiency, if any, would be borne by Pinki and Deepti equally. Profits for the year amounted to ₹ 40,000. Record necessary journal entries in the books of the firm showing the distribution of profit. **4**

28 Calculate goodwill of a firm on the basis of three years purchases of the Weighted Average Profits of the last four years. The profits of the last four years were: **4**

Ending31st March	2020	2021	2022	2023	
Profit	28,000	27,000	46900	53810	

a) On 1st April, 2020 a major plant repair was undertaken for ₹10,000 which was charged to revenue. The said sum is to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% on reducing balance method.
b) For the purpose of calculating Goodwill the company decided that the years ending 31.03.2020 and 31.03.2021 be weighted as 1 each (being COVID affected) and for year ending 31.03.2022 and 31.03.2023 weights be taken as 2 and 3 respectively.

29 Balance Sheet of P and Q who share profit and losses in the ratio 5:3 as at 31st March,2024 as follow **4**

Liabilities	₹	Assets	₹
Capital A/c		Land and Building	3,00,000
P :	2,50,000	Machinery	2,00,000
Q	1,50,000	Stock	70,000
Profit and loss A/c	1,30,000	Debtor	30,000
Workmen compensation reserve	60,000	Cash	10,000
Sundry creditor	50,000	Advertisement expenditure	30,000
	6,40,000		6,40 000

They admit R as a partner for ⅓ share in the profits of the firm which he acquired from P And Q in the ratio 3:1 .R brings ₹4 00,000 as his capital ,ascertain the amount of goodwill of the firm and pass journal entries on admission of R

30 Pass the necessary journal entries at the time of admission of partner — 4

1)Unrecorded assets of ₹ 50,000 given to Unrecorded Creditor of 70,000 and remaining were paid later on
2)20% of reserve amounting to ₹6,000 were kept aside for provision for doubtful debts
3)An old customer Mohit whose Account has written off as bad debts promised to pay 7,000 in full settlement of debt of ₹10,000
4)Land of ₹ 1,80,000 was under valued by 20%

31 A,B and C are partners in a firm sharing profit and losses in the ratio 3:2:1 .Their Balance Sheet as at 31st March,2022 is : — 6

Liabilities	₹	Assets	₹
Creditors	30,000	Cash in Hand	18000
Bills payable	16,000	Debtors 25,000	22,000
General Reserve	12,000	Les provisions 3,000	
Capital A/c		Stock	18,000
A 40,000	1,10,000	Furniture	30,000
B 40,000		Machinery	70,000
C 30,000		Goodwill	10,000
	1,68,000		1,68,000

B retired on 1st April on following terms
1)Provision for doubtful deaths be raised by 1000
2)Stock to be reduced by 10% and furniture by 5%
3)There's an outstanding claim of damages of ₹1100 and is to be provided for
4)Creditors will be written back by ₹6000
5)Goodwill of the firm is valued at ₹22000
6)Be is paid in full with the cash brought in by A &c in such a manner that their capital are in proportion to their profit sharing ratio and cash in hand remains at ₹10,000.
7)Gain on revaluation amounted to ₹600
Prepare partner's capital account and and balance sheet of A and C

32 On 31st March 2019 the Balance sheet of Madan and Mohan who share profits and losses in the ratio 3:2 was as follows: — 6

Balance sheet of Madan and Mohan
as at 31st March 2019

Liabilities		₹	Assets		₹
Creditors		28,000	Cash at Bank		10,000
General Reserve		10,000	Debtors	65,000	
Employees Provident Fund		22,000	Less:Provision	5,000	60,000
Capitals:			Stock		
Madan	60,000		Patents		
Mohan	40,000				33,000
		1,00,000			57,000
		1,60,000			1,60,000

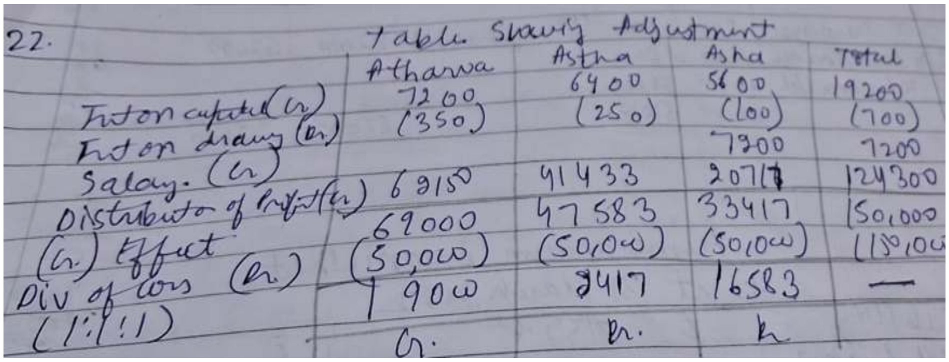
	They decided to admit Gopal on 1st April ,2019 for 1/5th share which Gopal acquired wholly from Mohan on the Following terms: (i)Gopal shall bring ₹10,000 as his share of premium for Goodwill (ii)A debtor whose dues of ₹3,000 were written off as bad debts paid ₹2,000 in full settlement. (iii)A claim of ₹ 5,000 on account of workmen compensation was to provided for. (iv)Patents were undervalued by ₹2,000. Stock in the books was valued 10% more than its market value (v)Gopal has to bring in capital equal to 20% of the combined capital of Madan and Mohan after all adjustment. Prepare revaluation account ,Capital Account of Partners	
33	A, B and C were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. C died on 30th June, 2016, After all the necessary adjustments, his Capital Account showed a credit balance of 70,600. C's executor was paid 10,600 on 1st July, 2016 and the balance in three equal yearly instalments starting from 30th June, 2017 with interest @ 10% p.a. on the unpaid amount. The firm closes its books on 31st March every year. Prepare C's Executor's Account till the amount is finally paid.	6
34	A, B and C shared profits in the ratio 3:2:1 .They dissolved the firm and appointed A to realise the asset .A is to receive 5% commission On sale of assets (except cash) and is to bear all the expense of Realisation. The position of the firm was as follow	6

Liabilities	₹	Assets	₹
Bank overdraft	25,000	Cash in Hand	22 500
Creditors	60,000	Debtors	52,300
Provident Fund	12,000	Stock	36,000
IFR	6,000	Investment	15,000
Commission receive in advance	8,000	Plant	91 200
Capital		Profit and loss A/c	54,000
A	90,000		
B	60,000		
C	10,000		
	2,71,000		2,71,000

Informations: 1. A realised the assets as follows:- Debtors ₹30,000; Stock ₹26,000; Investments at 75% value; Plant at ₹42,750. Expenses of realisation met by A amounted to ₹4,100.
2. Commission received in advance is returned to the customers after deducting ₹3,000 for work done.
3. Firm had to pay ₹7,200 for outstanding salaries, not provided for earlier.
4. Compensation to employees paid by the firm amounted to ₹9,800. This liability was not provided for in the above balance sheet.
5. ₹25,000 had to be paid for Provident Fund.
Prepare Realization A/c .

SET B MARKING SCHEME XII ACCOUNTANCY

1	B.1920	1
2	B.1,50,000	1
3	A.Dr.interest on Y loan A/c and Cr. Y Cap A/c by 1600	1
4	D.Assertion Is False but reason is true	1
5	A)1,40,000	1
6	A.at book value	1
7	A.₹1,85 000	1
8	B.₹1,00,000	1
9	C.2:2:1	1
10	B.₹63,700	1
11	C.Profits shows either Increasing or diminishing end	1
12	C	1
13	A is False but R is true	1
14	A.Debited to Profit and loss Account	1
15	a) 20940	1
16	c) 71400	1
I7	C.loss 28,000	1
18	C.6%	1
19	1,50,000	1
20	D .A and C both	1
21	**In the books of Journal** **General Reserve A/c. Dr : 16,000** **To Mayank cap. : 8000** **To Manik cap. : 8000** **Bank A/c. Dr. :14,000** **Stock A/c. Dr. : 8,000** **Building A/c. Dr. : 20,000** **Debtors. A/c. Dr. :12,000** **To Mahesh capital. 50000** **To Premium for Goodwill. 4,000**	½+1 .5+1 =3

	Premium For Goodwill A/c Dr. :4000 **To Mayank Capital. 2000** **To Manik capital. 2000**	
22	 22. Table Showing Adjustment Atharva Capital A/c Dr : 19000 To Asha capital. :16583 To Astha Capital. : 2417	½ for each adjustment + ½ for entry
23	Calculation of opening capital of A and B	2+1

	Atharva	Astha	Asha	Total
Int on capital (Cr)	7200	6400	5600	19200
Int on drawing (Dr)	(350)	(250)	(100)	(700)
Salary. (Cr)			7200	7200
Distribution of Profit (Cr)	62150	41433	20717	124300
	69000	47583	33417	150,000
(Cr.) Effect	(50,000)	(50,000)	(50,000)	(150,000)
Div of loss (Dr.) (1:1:1)	19000	2417	16583	—
	Cr.	Dr.	Cr.	

	A	B
Opening capital(as on 1st April 2017 + Profit - Drawings - Loss - Drawings	60,000 30,000 (8000) 82000 (12000) (8000)	40,000 20,000 (8,000) 52000 (8000) (8000)
Closing capital	62000	36000

Memorandum Balance Sheet

Liabilities	₹	Assets	₹
Capital A 62000 B 36000 Creditors	98000 20000	Sundry Assets	1,18,000

<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>24</td><td>
Journal Entry
<table>
<tr><th>Date</th><th>Particulars</th><th>L.F.</th><th>Dr. (₹)</th><th>Cr. (₹)</th></tr>
<tr><td>1.02.22</td><td>Profit and Loss Suspense A/c ...Dr.</td><td></td><td>30,000</td><td></td></tr>
<tr><td></td><td>To Sara's Capital A/c</td><td></td><td></td><td>30,000</td></tr>
<tr><td></td><td>(Being Sara's share of profit allowed till the date of her death)</td><td></td><td></td><td></td></tr>
</table>
Profit % to sales turnover for the year ended 31st March, 2021
= 120000 / 1000000 x 100 = 12%
Estimated sales till 1st February, 2022 = ₹ 12,00,000 x 10/12 = ₹ 10,00,000
Profit percentage 12 - 2 = 10%
Profit amount till 1st February, 2022 = 10% of ₹ 10,00,000 = ₹ 1,00,000
Sara's share of profit till 1st February, 2022
= 1,00,000 x 3 / 10
= ₹ 30,000

2. Sara capital A/c. Dr. : 30,000
To Sara Executor :30,000
</td><td>2+1(
W.N</td></tr>
<tr><td>25</td><td>
1.Bank A/ Dr. :18,000
To Realisation. 18,000

2.Realisation A/c. Dr :33,000
To Bank. :33,000

3.No entry

4.Bank A/c. Dr. : 18,000
To Realisation. 18,000
</td><td>1×4</td></tr>
</table>

26	Old Ratio: 7:5:3 New Ratio: 5:4:1 Riddhi's Sacrifice = 7/15 – 5/10 = (-1/30) (gain) Siddhi's Sacrifice = 5/15 – 4/10 = (-2/30) (gain) Viddhi's Sacrifice = 3/15 – 1/10 = 3/30 Vidhi's Sacrifice (Amount)= 6,60,000 × 3/30 = 66,000 Net Effect of Accumulated Profits, Losses and Reserves:	1+3

	(+)General Reserve 2,40,000 (-) Deferred Revenue Expenditure (1,80,000) (-) Profit and Loss A/c (Dr.) (7,20,000) (6,60,000)	

Date	Particulars	Dr Amt	Cr Amt
1	Riddhi's Capital A/c – Dr Siddhi's Capital A/c – Dr. To Viddhi's Capital A/c (Being the adjustment entry for goodwill done upon the change in profit sharing ratio)	10,000 20,000	30,000
2	Viddhi's Capital A/c – Dr. To Riddhi's Capital A/c To Siddhi's Capital A/c (Being the adjustment entry passed upon change in the	66,000	22,000 44,000

27

Dr. **Cr.**

Particulars	(₹)	Particulars	(₹)
To Interest on Capital :		By Net Profit	40,000
– Mita	4,000	By Interest on Drawings :	
– Rita	2,500	– Mita 160	
– Sandra	1,500	– Sandra 100	260
To Share of Profit :			
– Mita $\frac{2}{5} \times 32,260$ = 12,904			
Adjustment for guarantee = (3,548)	9,356		
– Rita $\frac{2}{5} \times 32,260$	12,904		
– Sandra $\frac{1}{5} \times 32,260$ = 6,452			
+ Adjustment for guarantee = 3,548	10,000		
	40,260		40,260

28

20

Years (ending 31st March)	Adjusted Profit (₹)	Weights	Product (₹)
2020	28,000	1	28,000
2021	36,000	1	36,000
2022	46,000	2	92,000
2023	53,000	3	1,59,000
Total		7	3,15,000

Adjusted Profits	2020	2021	2022	2023
Given Profits Add Capital Expenditure Charged to Revenue	28,000	27,000 10,000	46,900	53810
Less: Unprovided Depreciation		(1,000)	(900)	(810)
Adjusted Profits	28,000	36,000	46,000	53,000

Weighted Average Profit = 3,15,000/7
=₹45,000

Goodwill = 45,000 × 3 = ₹1,35,000

Notes to Solution

(i) Depreciation of 2021= 10% of 10,000
= 10,000 × 10/100 =₹1,000

(ii) Depreciation of 2022 = 10% of 9000
= 9,000x10/100= ₹900

(iii) Depreciation of 2022 = 10% of 8,100
= ₹8,100

Marks: 4

29

SOLUTION :

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Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
2024 April 1	Profit and Loss A/c	Dr.		1,30,000	
	Workmen Compensation Reserve A/c	Dr.		60,000	
	To P's Capital A/c				1,18,750
	To Q's Capital A/c				71,250
	(Transfer of accumulated profits to old partners in their old profit sharing ratio)				
April 1	P's Capital A/c	Dr.		18,750	
	Q's Capital A/c	Dr.		11,250	
	To Advertisement Expenditure A/c				30,000
	(Transfer of accumulated loss to old partners in their old profit sharing ratio)				
April 1	Bank A/c	Dr.		4,00,000	
	To R's Capital A/c				4,00,000
	(Amount brought in by R as his Capital)				
April 1	R's Current A/c	Dr.		80,000	
	To P's Capital A/c				60,000
	To Q's Capital A/c				20,000
	(R's share of goodwill credited to P and Q in their sacrificing ratio of 3 : 1)				

Working Note :

Calculation of Hidden Goodwill :

			₹
Total of Capital of the new firm on the basis of R's Capital : ₹4,00,000 × $\frac{3}{1}$ =			12,00,000
Less :	Net worth of new firm :		
	Adjusted Capital of P (₹2,50,000 + ₹1,18,750 – ₹18,750)	3,50,000	
	Adjusted Capital of Q (₹1,50,000 + ₹71,250 – ₹11,250)	2,10,000	
	Capital of R	4,00,000	9,60,00
	Value of Firm's Goodwill		2,40,00

R's share of Goodwill = ₹2,40,000 × $\frac{1}{3}$ = ₹80,000.

Marks: 1 for W.n And ½ for each entry

30

1.Revaluation A/c. DR : 20,000
To Creditor A/c. :20,000

Creditors A/c Dr. : 20,000
To Bank A/c : 20,000

Marks: 1×4

2.General Reserve A/c. Dr. : 6,000
To Provision For Doubtful debt 6,000

3.Debtor A/c Dr. : 7,000
To Revaluation : 7,000
4. Land and Building A/c Dr: 45000
To Revaluation :45000,

31 In the books of V,W and X | 4+2

Partners Capital A/c

	V	W	X	Particulars	V	W	X
To V cap		9000	9000	By bal b/d	75000	50000	55000
				ByRevaluation	4170	2085	2085
To V	97870			By P&Loss	700	350	350
loan		43435	48435	By W capital	9000		
To bal				By X capital	9000		
c/d				By bal b/d	97870	43435	48435
			2500	By bank		2500	
		45935	45935				
To Bank							
To bal							
c/d							

Balance Sheet

Liabilities	₹	Assets	₹
B/P	10600	Building	96000
Sundry creditor	11000	Debtors 22000	21340
Capital		-Provision (660)	
W- 45935	91870	Plant and Mach	62400
X-45935		Stock	16000
V loan	97870	Bank	7500
		Cash	9900

31 | ½ for each entry

			Debit	Credit
	Revaluation A/c. Dr		52,000	
	To prov for Doubtful debts			2,000
	To outstanding Bills and Repair A/c			50,000
	Accrued interest A/c. Dr		7500	
	Stock. A/c. Dr		10000	
	To Revaluation A/c.			17,500
	Rohit Current a/c. Dr		20,700	
	Mohit Current a/c. Dr		13,800	
	To revaluation			34,500
			40,000	
	Bank A/c. Dr			40,000

		To investments Rohit Current A/c. Dr To Stock General Reserve. A/c. Dr To Rohit Current A/c To Mohit Current A/c. Rohit Current A/c. Dr Mohit Current. A/c. Dr To Goodwill A/c Bank A/c. Dr To Gopal capital A/c To premium for goodwill A/c Premium for Goodwill A/c. Dr To Rohit cap A/c To Mohit cap A/c		 42,000 60,000 30,000 20,000 1,60,000 60,000	 42,000 36,000 24,000 50,000 1,00,000 60,000 30,000 30,000

33

Maheep dues to be transferred to executors = 1,15,000 + 5,000 + 20,000 + 60,000 – 20,000 = 1,80,000

Maheep's Executors Account

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
31/03/21	To Balance c/d		1,93,500	30/06/20	By Maheep's Cap. A/c		1,80,000
				31/03/21	Interest (9 months)		13,500
			1,93,500				1,93,500
30/06/21	To Bank (I Instalment)		78,000	01/04/21	By Balance b/d		1,93,500
31/03/22	To Balance c/d		1,29,000	30/06/21	By Interest (3 months)		4,500
				31/03/22	By Interest (9 months)		9,000
			2,07,000				2,07,000
30/06/22	To Bank (II Instalment)		72,000	01/04/22	By Balance b/d		1,29,000
31/03/23	To Balance c/d		64,500	30/06/22	By Interest (3 months)		3,000
				31/03/23	By Interest (9 months)		4,500
			1,36,500				1,36,500
30/06/23	To Bank (III Instalment)		66,000	01/04/23	By Balance b/d		64,500
				30/06/23	By Interest (3 months)		1,500
			66,000				66,000

½ for each interse and bank amount +1 for calculation of amount

34	Realisation Account (see below)	6

Dr. **REALISATION ACCOUNT** Cr

Particulars	₹	*Particulars*		₹
To Debtors	52,300	By Bank Overdraft[3]		25,000
To Stock	36,000	By Creditors		60,000
To Investments	15,000	By Provident Fund		12,000
To Plant	91,200	By Investment Fluctuation Fund		6,000
To *A*'s Capital A/c (5% on ₹1,10,000)	5,500	By Commission Recd. in advance		8,000
To Bank A/c (Advance Commission returned)	5,000	By Bank A/c :		
To Bank A/c (Outstanding salaries paid)	7,200	Debtors	30,000	
To Bank A/c (Compensation paid)	9,800	Stock	26,000	
To Bank A/c (Bank Overdraft paid)	25,000	Investments	11,250	
To Bank A/c (Creditors and Provident Fund)	85,000	Plant	42,750	1,10,000
		By Loss transferred to :		
		A's Capital A/c	55,500	
		B's Capital A/c	37,000	
		C's Capital A/c	18,500	1,11,000
	3,32,000			3,32,000