



OSDAV Public School, Kaithal

Half yearly Exams (2024-25)

Class : XII.

Subject : ACCOUNTANCY

SET : A

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 $\frac{1}{3}$ 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 border="1"><thead><tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr></thead><tbody><tr><td>INVESTMENT FLUCTUATION FUND</td><td>50,000</td><td>INVESTMENT</td><td>1,50,000</td></tr></tbody></table> <p>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</p>	Liabilities	₹	Assets	₹	INVESTMENT FLUCTUATION FUND	50,000	INVESTMENT	1,50,000	1
Liabilities	₹	Assets	₹							
INVESTMENT FLUCTUATION FUND	50,000	INVESTMENT	1,50,000							
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

	<p>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</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>To Interest on capital Richa Anmol</td> <td>_____</td> <td rowspan="3">By Profit and loss A/c (after manager commission)</td> <td rowspan="3">—(2)</td> </tr> <tr> <td>To Anmol salary A/c</td> <td>12,500</td> </tr> <tr> <td>To profit transferred to Richa capital a/c Anmol capital A/c</td> <td>—(1)</td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount	To Interest on capital Richa Anmol	_____	By Profit and loss A/c (after manager commission)	—(2)	To Anmol salary A/c	12,500	To profit transferred to Richa capital a/c Anmol capital A/c	—(1)	
Particulars	Amount	Particulars	Amount											
To Interest on capital Richa Anmol	_____	By Profit and loss A/c (after manager commission)	—(2)											
To Anmol salary A/c	12,500													
To profit transferred to Richa capital a/c Anmol capital A/c	—(1)													
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&I (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 From previous 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												

	<p>were entitled to</p> <p>(a) Interest on capital at 8% p.a.</p> <p>(b) Asha was entitled monthly salary of ₹ 600.</p> <p>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.</p>	
23	<p>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.</p>	3
24	<p>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.</p>	3
25	<p>Pass the necessary Journal entries on the dissolution of a partnership firm in the following cases:</p> <p>A) Mohan, a creditor of ₹60,000 accepted Plant of ₹ 78,000 and balance paid to the firm.</p> <p>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.</p> <p>C) Rohan, a third creditor of ₹ 1,20,000 accepted equipment of the book value of 95,000 in full settlement of his claim.</p> <p>(D) An unrecorded asset of ₹ 20,000 was purchased by Sumit, a partner for cash at an agreed value of ₹ 18,000.</p>	4
26	<p>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.</p> <p>General Reserve ₹ 2,40,000</p> <p>Deferred Revenue Expenditure ₹ 1,80,000</p> <p>Profit and Loss (Dr.) Balance ₹ 7,20,000</p> <p>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.</p>	4
27	<p>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</p> <p>The capitals of the partners on 1st April, 2015 were :</p> <p>Mita ₹80,000, Rita ₹50,000 and Sandra ₹30,000.</p> <p>The net profit for the year ended 31st March, 2016, before allowing or charging any</p>	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	<p>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</p> <table border="1"> <tr> <td>Ending 31st March</td> <td>2020</td> <td>2021</td> <td>2022</td> <td>2023</td> <td></td> </tr> <tr> <td>Profit</td> <td>28,000</td> <td>27,000</td> <td>46900</td> <td>53810</td> <td></td> </tr> </table> <p>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.</p>	Ending 31st March	2020	2021	2022	2023		Profit	28,000	27,000	46900	53810		4																																				
Ending 31st March	2020	2021	2022	2023																																														
Profit	28,000	27,000	46900	53810																																														
29	<p>Balance Sheet of P and Q who share profit and losses in the ratio 5:3 as at 31st March ,2024 as follow</p> <table border="1"> <thead> <tr> <th>Liabilities</th> <th>₹</th> <th>Assets</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Capital A/c</td> <td></td> <td>Land and Building</td> <td>3,00,00</td> </tr> <tr> <td>P :</td> <td>2,50,00</td> <td>Machinery</td> <td>0</td> </tr> <tr> <td>Q</td> <td>0</td> <td>Stock</td> <td>2,00,00</td> </tr> <tr> <td>Profit and loss A/c</td> <td>1,50,00</td> <td>Debtor</td> <td>0</td> </tr> <tr> <td>Workmen compensation reserve</td> <td>0</td> <td>Cash</td> <td>70,000</td> </tr> <tr> <td>Sundry creditor</td> <td>1,30,00</td> <td>Advertisement expenditure</td> <td>30,000</td> </tr> <tr> <td></td> <td>0</td> <td></td> <td>10,000</td> </tr> <tr> <td></td> <td>60,000</td> <td></td> <td>30,000</td> </tr> <tr> <td></td> <td>50,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><u>6,40,00</u></td> <td></td> <td><u>6,40,000</u></td> </tr> <tr> <td></td> <td><u>0</u></td> <td></td> <td><u>0</u></td> </tr> </tbody> </table> <p>They admit R as a partner for $\frac{1}{3}$ 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</p>	Liabilities	₹	Assets	₹	Capital A/c		Land and Building	3,00,00	P :	2,50,00	Machinery	0	Q	0	Stock	2,00,00	Profit and loss A/c	1,50,00	Debtor	0	Workmen compensation reserve	0	Cash	70,000	Sundry creditor	1,30,00	Advertisement expenditure	30,000		0		10,000		60,000		30,000		50,000				<u>6,40,00</u>		<u>6,40,000</u>		<u>0</u>		<u>0</u>	4
Liabilities	₹	Assets	₹																																															
Capital A/c		Land and Building	3,00,00																																															
P :	2,50,00	Machinery	0																																															
Q	0	Stock	2,00,00																																															
Profit and loss A/c	1,50,00	Debtor	0																																															
Workmen compensation reserve	0	Cash	70,000																																															
Sundry creditor	1,30,00	Advertisement expenditure	30,000																																															
	0		10,000																																															
	60,000		30,000																																															
	50,000																																																	
	<u>6,40,00</u>		<u>6,40,000</u>																																															
	<u>0</u>		<u>0</u>																																															
30	<p>Pass the necessary journal entries at the time of admission of partner</p> <ol style="list-style-type: none"> 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% 	4																																																
31	<p>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:</p> <p style="text-align: center;">Balance Sheet as at 31.12.2019</p>	6																																																

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

V retires and on that date this agreed

The value of Buildings 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 March 2023 their balance sheet shows as follow 6

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

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.

	<p>F) New profit sharing ratio of partner will be 5:3:2.</p> <p>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 Rs1,70,000 respectively.</p> <p>Pass necessary journal entries</p>																																																	
33	<p>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:</p> <p>(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.</p> <p>(d) Loan to Maheep amounted ₹20,000. It was agreed that the amount will be paid to his executor in three equal yearly instalments 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.</p>	6																																																
34	<p>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</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 40%;">Assets</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>Bank overdraft</td> <td>25,000</td> <td>Cash in Hand</td> <td>22 500</td> </tr> <tr> <td>Creditors</td> <td>60,000</td> <td>Debtors</td> <td>52,300</td> </tr> <tr> <td>Provident Fund</td> <td>12,000</td> <td>Stock</td> <td>36,000</td> </tr> <tr> <td>IFR</td> <td>6,000</td> <td>Investment</td> <td>15,000</td> </tr> <tr> <td>Commission receive in advance</td> <td>8,000</td> <td>Plant</td> <td>91 200</td> </tr> <tr> <td>Capital</td> <td></td> <td>Profit and loss A/c</td> <td>54,000</td> </tr> <tr> <td>A</td> <td></td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>90,000</td> <td></td> <td></td> </tr> <tr> <td>C</td> <td>60,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><u>2,71,000</u></td> <td></td> <td><u>2,71,000</u></td> </tr> </tbody> </table> <p>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.</p> <p>2. Commission received in advance is returned to the customers after deducting ₹3,000 for work done.</p> <p>3. Firm had to pay ₹7,200 for outstanding salaries, not provided for earlier.</p> <p>4. Compensation to employees paid by the firm amounted to ₹9,800. This liability was not provided for in the above balance sheet.</p> <p>5. ₹25,000 had to be paid for Provident Fund.</p> <p>Prepare Realization A/c .</p>	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				<u>2,71,000</u>		<u>2,71,000</u>	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																																																	
	<u>2,71,000</u>		<u>2,71,000</u>																																															

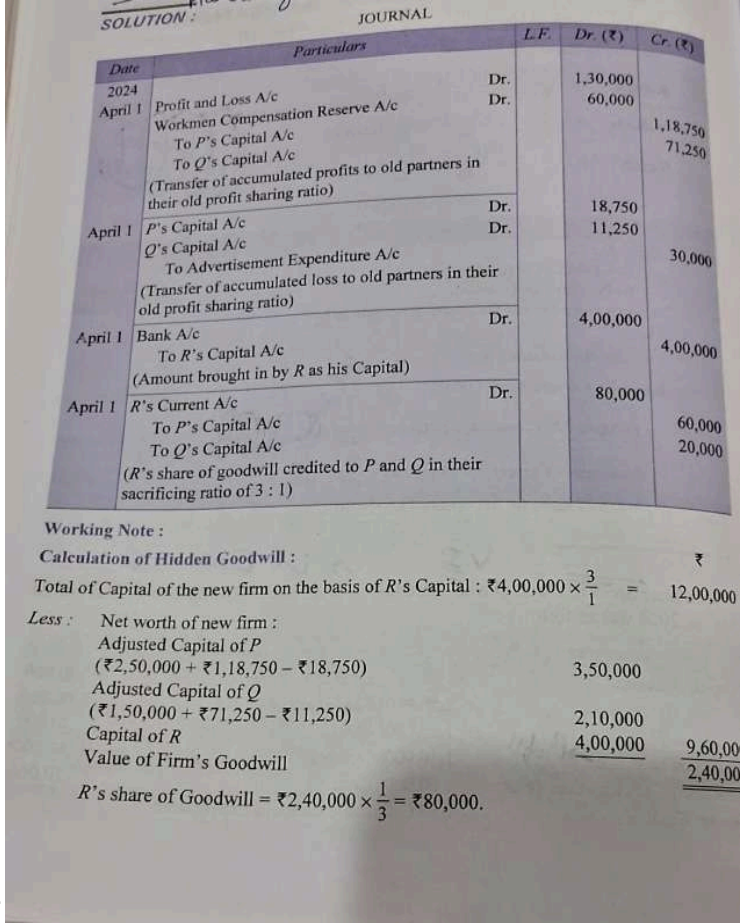
SET A MARKING SCHEME XII ACCTS

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

	<table border="1"> <tr> <td>P&Loss A/c Dr To Int on capital</td> <td>144000</td> <td>144000</td> </tr> <tr> <td>E Current A/c F Current A/c G Current A/c To p&Loss A/c</td> <td>10200 10200 13600</td> <td>34000</td> </tr> </table>	P&Loss A/c Dr To Int on capital	144000	144000	E Current A/c F Current A/c G Current A/c To p&Loss A/c	10200 10200 13600	34000																			
P&Loss A/c Dr To Int on capital	144000	144000																								
E Current A/c F Current A/c G Current A/c To p&Loss A/c	10200 10200 13600	34000																								
22	<p>Table showing Adjustment</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Kumar</th> <th>Raja</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Int on capital. Cr.</td> <td>81,000</td> <td>36,000</td> <td>1,17,000</td> </tr> <tr> <td>Salary Cr.</td> <td>50,000</td> <td>36,000</td> <td>86,000</td> </tr> <tr> <td></td> <td>131000</td> <td>72000</td> <td>203000</td> </tr> <tr> <td>Division of loss Dr.</td> <td>(1,42,100)</td> <td>(60,900)</td> <td>(2,03,000)</td> </tr> <tr> <td>Net Effect</td> <td>11,100</td> <td>11,100</td> <td>-</td> </tr> </tbody> </table> <p>Journal Entry : 31 March. Kumar Current A.c Dr. : 11,100 To Raja Current A.c. 11,100</p>	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	-	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	-																							
23	<p>Calculation of opening capital of A and B</p> <table border="1"> <thead> <tr> <th></th> <th>A</th> <th>B</th> </tr> </thead> <tbody> <tr> <td>Opening capital(as on 1st April 2017)</td> <td>60,000</td> <td>40,000</td> </tr> <tr> <td>+ Profit</td> <td>30,000</td> <td>20,000</td> </tr> <tr> <td>- Drawings</td> <td>(8000)</td> <td>(8,000)</td> </tr> <tr> <td></td> <td>82000</td> <td>52000</td> </tr> <tr> <td>- Loss</td> <td>(12000)</td> <td>(8000)</td> </tr> <tr> <td>- Drawings</td> <td>(8000)</td> <td>(8000)</td> </tr> <tr> <td>Closing capital</td> <td>62000</td> <td>36000</td> </tr> </tbody> </table>		A	B	Opening capital(as on 1st April 2017)	60,000	40,000	+ Profit	30,000	20,000	- Drawings	(8000)	(8,000)		82000	52000	- Loss	(12000)	(8000)	- Drawings	(8000)	(8000)	Closing capital	62000	36000	2+1
	A	B																								
Opening capital(as on 1st April 2017)	60,000	40,000																								
+ Profit	30,000	20,000																								
- Drawings	(8000)	(8,000)																								
	82000	52000																								
- Loss	(12000)	(8000)																								
- Drawings	(8000)	(8000)																								
Closing capital	62000	36000																								

	<p>Memorandum Balance Sheet</p> <table border="1"> <tr> <td>Liabilities</td> <td>₹</td> <td>Assets</td> <td>₹</td> </tr> <tr> <td>Capital A 62000 B 36000</td> <td>98000</td> <td>Sundry Assets</td> <td>1,18,000</td> </tr> <tr> <td>Creditors</td> <td>20000</td> <td></td> <td></td> </tr> </table>	Liabilities	₹	Assets	₹	Capital A 62000 B 36000	98000	Sundry Assets	1,18,000	Creditors	20000																
Liabilities	₹	Assets	₹																								
Capital A 62000 B 36000	98000	Sundry Assets	1,18,000																								
Creditors	20000																										
24	<p>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 = $5,00,000 \times 24\% = 1,20,000$ Share of B = $1,20,000 \times 2/5 \times 4/12 = 16,000$ P & Loss suspense A.C Dr. = 16,000 To B capital A.C. = 16,000</p> <p>B Capital A/c dr. : 16,000 To B executor's 16,000</p>	2+1																									
25	<p style="text-align: center;">Journal entries</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Dr.</th> <th>Cr.</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Carol's Capital A/c Bank Ac To Realisation A/c (Half of the investments taken over by Carol and the remaining half realised cash)</td> <td>Dr. Dr.</td> <td>14,700 17,700</td> <td>32,400</td> </tr> <tr> <td>2.</td> <td>Realisation A/c To Lacy's Capital A/c To Bank Ac (Remuneration allowed to Lacy and expenses paid by the firm on her behalf)</td> <td>Dr.</td> <td>13,000</td> <td>8,000 5,000</td> </tr> <tr> <td>3.</td> <td>Carol's Loan A/c To Bank Ac (Carol's Loan paid off)</td> <td>Dr.</td> <td>89,000</td> <td>89,000</td> </tr> <tr> <td>4.</td> <td>Realisation A/c To Lacy's Capital A/c (Brother's loan at a discount of 5% taken over by Lacy)</td> <td>Dr.</td> <td>12,350</td> <td>12,350</td> </tr> </tbody> </table>	Date	Particulars	L.F	Dr.	Cr.	1.	Carol's Capital A/c Bank Ac To Realisation A/c (Half of the investments taken over by Carol and the remaining half realised cash)	Dr. Dr.	14,700 17,700	32,400	2.	Realisation A/c To Lacy's Capital A/c To Bank Ac (Remuneration allowed to Lacy and expenses paid by the firm on her behalf)	Dr.	13,000	8,000 5,000	3.	Carol's Loan A/c To Bank Ac (Carol's Loan paid off)	Dr.	89,000	89,000	4.	Realisation A/c To Lacy's Capital A/c (Brother's loan at a discount of 5% taken over by Lacy)	Dr.	12,350	12,350	4
Date	Particulars	L.F	Dr.	Cr.																							
1.	Carol's Capital A/c Bank Ac To Realisation A/c (Half of the investments taken over by Carol and the remaining half realised cash)	Dr. Dr.	14,700 17,700	32,400																							
2.	Realisation A/c To Lacy's Capital A/c To Bank Ac (Remuneration allowed to Lacy and expenses paid by the firm on her behalf)	Dr.	13,000	8,000 5,000																							
3.	Carol's Loan A/c To Bank Ac (Carol's Loan paid off)	Dr.	89,000	89,000																							
4.	Realisation A/c To Lacy's Capital A/c (Brother's loan at a discount of 5% taken over by Lacy)	Dr.	12,350	12,350																							
26	<p>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) Sohini Sacrifice = $3/15 - 1/10 = 3/30$ Vidhi's Sacrifice (Amount) = $6,60,000 \times 3/30 = 66000$ Net effect</p>	1+1 +2 =4																									

	<p>(+)General Reserve 2,40,000 (-) Deferred Revenue Expenditure (1,80,000) (-) Profit and Loss A/c (Dr.) (7,20,000) (6,60,000)</p> <table border="1" data-bbox="331 464 1344 884"> <tr> <td data-bbox="331 464 1045 642">Rohini capital A/c Dr Mohini capital A/c Dr To sohini cap A/c (Adjustment of goodwill</td> <td data-bbox="1045 464 1208 642">10,000 20,000</td> <td data-bbox="1208 464 1344 642">30,000</td> </tr> <tr> <td data-bbox="331 642 1045 814">Sohini cap A/c. Dr To Rohini capital A/c Dr To Mohini cap A/c dr (Adjustment entry passed)</td> <td data-bbox="1045 642 1208 814">66,000</td> <td data-bbox="1208 642 1344 814">22,000 44,000</td> </tr> <tr> <td data-bbox="331 814 1045 884"></td> <td data-bbox="1045 814 1208 884"></td> <td data-bbox="1208 814 1344 884"></td> </tr> </table>	Rohini capital A/c Dr Mohini capital A/c Dr To sohini cap A/c (Adjustment of goodwill	10,000 20,000	30,000	Sohini cap A/c. Dr To Rohini capital A/c Dr To Mohini cap A/c dr (Adjustment entry passed)	66,000	22,000 44,000																																							
Rohini capital A/c Dr Mohini capital A/c Dr To sohini cap A/c (Adjustment of goodwill	10,000 20,000	30,000																																												
Sohini cap A/c. Dr To Rohini capital A/c Dr To Mohini cap A/c dr (Adjustment entry passed)	66,000	22,000 44,000																																												
27	<p style="text-align: center;">Profit and Loss Adjustments Account</p> <table border="1" data-bbox="386 989 802 1188"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr</th> <th colspan="2" style="text-align: right;">Cr</th> </tr> <tr> <th>Particulars</th> <th>₹</th> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>To profit transferred to</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> </tr> <tr> <td>(-) Kaku</td> <td>500</td> <td></td> <td></td> </tr> <tr> <td>Deept's Capital</td> <td>16,000</td> <td></td> <td></td> </tr> <tr> <td>(-) Kaku</td> <td>500</td> <td></td> <td></td> </tr> <tr> <td>Kaku's capital</td> <td>4,000</td> <td></td> <td></td> </tr> <tr> <td>(+) Pinki</td> <td>500</td> <td></td> <td></td> </tr> <tr> <td>(+) Deepth</td> <td>500</td> <td></td> <td></td> </tr> <tr> <td></td> <td>40,000</td> <td></td> <td>40,000</td> </tr> </tbody> </table> <p>Journal Entries</p> <p>Profit and loss A/c Dr. :40,000 To Profit and loss app A.C 40,000</p> <p>Profit and loss Appropriation A/c :40,000 To Pinki cap. : 20,000 To Deepti Cap. : 16,000 To Kaku cap. : 4,000</p> <p>Pinki Cap A/c. Dr : 500 Deepti Cap A/c. Dr : 500 ToKaku Cap : 1000</p> <p>Note : Not necessary to prepare P&Loss Adjustment Account students can simply present in working notes</p>	Dr		Cr		Particulars	₹	Particulars	₹	To profit transferred to		By Profit and Loss a/c	40,000	Pinki's Capital	20,000			(-) Kaku	500			Deept's Capital	16,000			(-) Kaku	500			Kaku's capital	4,000			(+) Pinki	500			(+) Deepth	500				40,000		40,000	1+3
Dr		Cr																																												
Particulars	₹	Particulars	₹																																											
To profit transferred to		By Profit and Loss a/c	40,000																																											
Pinki's Capital	20,000																																													
(-) Kaku	500																																													
Deept's Capital	16,000																																													
(-) Kaku	500																																													
Kaku's capital	4,000																																													
(+) Pinki	500																																													
(+) Deepth	500																																													
	40,000		40,000																																											

<p>28</p>	<p>20</p> <table border="1"> <thead> <tr> <th>Years (ending 31st March)</th> <th>Adjusted Profit (₹)</th> <th>Weights</th> <th>Product (₹)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>28,000</td> <td>1</td> <td>28,000</td> </tr> <tr> <td>2021</td> <td>36,000</td> <td>1</td> <td>36,000</td> </tr> <tr> <td>2022</td> <td>46,000</td> <td>2</td> <td>92,000</td> </tr> <tr> <td>2023</td> <td>53,000</td> <td>3</td> <td>1,59,000</td> </tr> <tr> <td>Total</td> <td></td> <td>7</td> <td>3,15,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Adjusted Profits</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Given Profits</td> <td>28,000</td> <td>27,000</td> <td>46,900</td> <td>53810</td> </tr> <tr> <td>Add Capital Expenditure Charged to Revenue</td> <td></td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td>Less: Unprovided Depreciation</td> <td></td> <td>(1,000)</td> <td>(900)</td> <td>(810)</td> </tr> <tr> <td>Adjusted Profits</td> <td>28,000</td> <td>36,000</td> <td>46,000</td> <td>53,000</td> </tr> </tbody> </table> <p>Weighted Average Profit = $\frac{3,15,000}{7}$ = ₹45,000 Goodwill = $45,000 \times 3 = ₹1,35,000$</p> <p>Notes to Solution (i) Depreciation of 2021 = 10% of 10,000 = $10,000 \times \frac{10}{100} = ₹1,000$ (ii) Depreciation of 2022 = 10% of 9000 = $9,000 \times \frac{10}{100} = ₹900$ (iii) Depreciation of 2023 = 10% of 8,100 = ₹8,100</p>	Years (ending 31 st 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	28,000	27,000	46,900	53810	Add Capital Expenditure Charged to Revenue		10,000			Less: Unprovided Depreciation		(1,000)	(900)	(810)	Adjusted Profits	28,000	36,000	46,000	53,000	<p>4 = 1/2 for each adjustment</p>																																																		
Years (ending 31 st 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	28,000	27,000	46,900	53810																																																																																																	
Add Capital Expenditure Charged to Revenue		10,000																																																																																																			
Less: Unprovided Depreciation		(1,000)	(900)	(810)																																																																																																	
Adjusted Profits	28,000	36,000	46,000	53,000																																																																																																	
<p>29</p>	<p>7</p>  <p>JOURNAL</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F.</th> <th>Dr. (₹)</th> <th>Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td>2024 April 1</td> <td>Profit and Loss A/c</td> <td>Dr.</td> <td>1,30,000</td> <td></td> </tr> <tr> <td></td> <td>Workmen Compensation Reserve A/c</td> <td>Dr.</td> <td>60,000</td> <td></td> </tr> <tr> <td></td> <td>To P's Capital A/c</td> <td></td> <td></td> <td>1,18,750</td> </tr> <tr> <td></td> <td>To Q's Capital A/c</td> <td></td> <td></td> <td>71,250</td> </tr> <tr> <td></td> <td>(Transfer of accumulated profits to old partners in their old profit sharing ratio)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>April 1</td> <td>P's Capital A/c</td> <td>Dr.</td> <td>18,750</td> <td></td> </tr> <tr> <td></td> <td>Q's Capital A/c</td> <td>Dr.</td> <td>11,250</td> <td></td> </tr> <tr> <td></td> <td>To Advertisement Expenditure A/c</td> <td></td> <td></td> <td>30,000</td> </tr> <tr> <td></td> <td>(Transfer of accumulated loss to old partners in their old profit sharing ratio)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>April 1</td> <td>Bank A/c</td> <td>Dr.</td> <td>4,00,000</td> <td></td> </tr> <tr> <td></td> <td>To R's Capital A/c</td> <td></td> <td></td> <td>4,00,000</td> </tr> <tr> <td></td> <td>(Amount brought in by R as his Capital)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>April 1</td> <td>R's Current A/c</td> <td>Dr.</td> <td>80,000</td> <td></td> </tr> <tr> <td></td> <td>To P's Capital A/c</td> <td></td> <td></td> <td>60,000</td> </tr> <tr> <td></td> <td>To Q's Capital A/c</td> <td></td> <td></td> <td>20,000</td> </tr> <tr> <td></td> <td>(R's share of goodwill credited to P and Q in their sacrificing ratio of 3 : 1)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Working Note : Calculation of Hidden Goodwill :</p> <p>Total of Capital of the new firm on the basis of R's Capital : $₹4,00,000 \times \frac{3}{1} = 12,00,000$</p> <p>Less : Net worth of new firm :</p> <table border="0"> <tr> <td>Adjusted Capital of P</td> <td></td> </tr> <tr> <td>(₹2,50,000 + ₹1,18,750 - ₹18,750)</td> <td>3,50,000</td> </tr> <tr> <td>Adjusted Capital of Q</td> <td></td> </tr> <tr> <td>(₹1,50,000 + ₹71,250 - ₹11,250)</td> <td>2,10,000</td> </tr> <tr> <td>Capital of R</td> <td>4,00,000</td> </tr> <tr> <td>Value of Firm's Goodwill</td> <td><u>9,60,000</u></td> </tr> <tr> <td></td> <td><u>2,40,000</u></td> </tr> </table> <p>R's share of Goodwill = $₹2,40,000 \times \frac{1}{3} = ₹80,000$.</p>	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)				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	Value of Firm's Goodwill	<u>9,60,000</u>		<u>2,40,000</u>	<p>1/2 for each entry + 1 for working notes</p>
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)																																																																																																				
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																																																																																																				
Value of Firm's Goodwill	<u>9,60,000</u>																																																																																																				
	<u>2,40,000</u>																																																																																																				
<p>30</p>	<p>1.Revaluation A/c. DR : 20,000 TO Creditor A/c. :20,000</p>	<p>4</p>																																																																																																			

32

6

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
To Stock A/c	3,000	By Patents A/c	2,000
		By Loss transferred to: Madan's Capital A/c	2,400
		Mohan's Capital A/c	1,600
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

33

6

C's Excise A/c

DATE	PARTICULAR	AMT	DATE	PARTICULAR	AMT
1/1/19	To Bank A/c	10,000	30/6/19	By C's Capital A/c	10,000
31/12/18	To Balance old	61,500	31/12/18	By Interest A/c	4,500
		71,500		$[60,000 \times 10 \times 3 / 100 \times 12]$	4,500
		71,500			71,500
30/6/19	To Bank A/c	26,000	1/1/19	By Balance b/d	61,500
	$[20,000 + 15,000 + 1,000]$	26,000	30/6/19	By Interest A/c	1,500
31/12/18	To Balance old	41,500		$[60,000 \times 10 \times 3 / 100 \times 12]$	1,500
		41,500	31/12/18	By Interest A/c	3,000
		41,500		$[40,000 \times 10 \times 3 / 100 \times 12]$	3,000
		69,000			69,000
30/12/18	To Bank A/c	24,000	1/1/19	By Balance old	41,500
	$[20,000 + 2,000 + 1,000]$	24,000	30/6/19	By Interest A/c	1,000
31/12/18	To Balance old	21,500		$[40,000 \times 10 \times 3 / 100 \times 12]$	1,000
		21,500	31/12/18	By Interest A/c	1,500
		45,500		$[20,000 \times 10 \times 3 / 100 \times 12]$	1,500
		45,500			45,500
30/6/19	To Bank A/c	21,500	1/1/19	By Balance old	21,500
	$[20,000 + 500 + 1,000]$	21,500	30/6/19	By Interest A/c	500
		21,500		$[20,000 \times 10 \times 3 / 100 \times 12]$	500
		21,500			21,500
		27,000			27,000

34

4

REVALUATION ACCOUNT

Particulars	₹	Particulars	₹
To Debtors	52,000	By Bank Overhead	23,000
To Stock	30,000	By Cash	60,000
To Investments	15,000	By Provision Fund	12,000
To Plant	61,200	By Investment Fluctuation Fund	6,000
To P's Capital A/c		By Commission Paid in advance	8,000
(WN 1) 10,00,000	1,000	By Bank A/c	
To Bank A/c (Advance)	5,000	Debtors	30,000
Commission earned	5,000	Stock	26,000
To Bank A/c (Outstanding salaries paid)	7,200	Investments	11,250
		Plant	62,750
To Bank A/c (Contingencies paid)	9,800	By Loss transferred to:	1,32,000
(Bank Overhead paid)	25,000	P's Capital A/c	55,700
		P's Capital A/c	37,500
To Bank A/c (Cash and Provision Fund)	15,000	C's Capital A/c	18,800
			1,32,000
	3,32,000		3,32,000



OSDAV Public School, Kaithal

Half yearly Exams (2024-25)

Class :XII

Subject :ACCOUNTANCY

SET :B

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 $\frac{1}{5}$ 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 border="1"><thead><tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr></thead><tbody><tr><td>INVESTMENT FLUCTUATION FUND</td><td>50,000</td><td>INVESTMENT</td><td>4,50,000</td></tr></tbody></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	Liabilities	₹	Assets	₹	INVESTMENT FLUCTUATION FUND	50,000	INVESTMENT	4,50,000	1
Liabilities	₹	Assets	₹							
INVESTMENT FLUCTUATION FUND	50,000	INVESTMENT	4,50,000							
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 : (A) 16:12:7. (B) 1:2:2. (C) 13:11:9 (D) 11:9:5	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 ₹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 : A) ₹62900 B) ₹71,000 C) ₹64,700 D) ₹63900	1																
11	Which of the following is not a method for calculation of goodwill: a) Average profit method. b) Super average profit method C) Normal method. d) Weighted Average Profit method	1																
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 ? A) ₹4000. B) ₹19,000. C) NIL. D) ₹23,000	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 closed by transferring to 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	1																
	<p>Read the hypothetical situation and answer the question no 17 and 18</p> <p>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</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Particulars</th> <th style="width: 10%;">Amount</th> <th style="width: 25%;">Particulars</th> <th style="width: 10%;">Amount</th> </tr> </thead> <tbody> <tr> <td>To Interest on capital Richa & Anmol</td> <td style="text-align: center;">_____</td> <td>By Profit and loss A/c (after manager commission)</td> <td style="text-align: center;">—(2)</td> </tr> <tr> <td>To Anmol salary A/c</td> <td style="text-align: center;">12,500</td> <td></td> <td></td> </tr> <tr> <td>To profit transferred to Richa capital a/c Anmol capital A/c</td> <td style="text-align: center;">—(1)</td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount	To Interest on capital Richa & Anmol	_____	By Profit and loss A/c (after manager commission)	—(2)	To Anmol salary A/c	12,500			To profit transferred to Richa capital a/c Anmol capital A/c	—(1)			
Particulars	Amount	Particulars	Amount															
To Interest on capital Richa & Anmol	_____	By Profit and loss A/c (after manager commission)	—(2)															
To Anmol salary A/c	12,500																	
To profit transferred to Richa capital a/c Anmol capital A/c	—(1)																	
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 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) overvaluation 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	<p>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:</p> <ol style="list-style-type: none"> 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% 	4																																
26	<p>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.</p> <p>General Reserve ₹ 2,40,000 Deferred Revenue Expenditure ₹ 1,80,000 Profit and Loss (Dr.) Balance ₹ 7,20,000</p> <p>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.</p>	4																																
27	<p>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.</p>	4																																
28	<p>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:</p> <table border="1" data-bbox="207 1035 1320 1161"> <thead> <tr> <th>Ending 31st March</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th></th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>28,000</td> <td>27,000</td> <td>46900</td> <td>53810</td> <td></td> </tr> </tbody> </table> <p>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.</p> <p>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.</p>	Ending 31st March	2020	2021	2022	2023		Profit	28,000	27,000	46900	53810		4																				
Ending 31st March	2020	2021	2022	2023																														
Profit	28,000	27,000	46900	53810																														
29	<p>Balance Sheet of P and Q who share profit and losses in the ratio 5:3 as at 31st March, 2024 as follow</p> <table border="1" data-bbox="207 1465 1320 1801"> <thead> <tr> <th>Liabilities</th> <th>₹</th> <th>Assets</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Capital A/c</td> <td></td> <td>Land and Building</td> <td>3,00,000</td> </tr> <tr> <td>P :</td> <td>2,50,000</td> <td>Machinery</td> <td>2,00,000</td> </tr> <tr> <td>Q</td> <td>1,50,000</td> <td>Stock</td> <td>70,000</td> </tr> <tr> <td>Profit and loss A/c</td> <td>1,30,000</td> <td>Debtor</td> <td>30,000</td> </tr> <tr> <td>Workmen compensation reserve</td> <td>60,000</td> <td>Cash</td> <td>10,000</td> </tr> <tr> <td>Sundry creditor</td> <td>50,000</td> <td>Advertisement expenditure</td> <td>30,000</td> </tr> <tr> <td></td> <td>6,40,000</td> <td></td> <td>6,40 000</td> </tr> </tbody> </table> <p>They admit R as a partner for $\frac{1}{3}$ 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</p>	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	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																															

	firm and pass journal entries on admission of R																																					
30	<p>Pass the necessary journal entries at the time of admission of partner</p> <p>1)Unrecorded assets of ₹ 50,000 given to Unrecorded Creditor of 70,000 and remaining were paid later on</p> <p>2)20% of reserve amounting to ₹6,000 were kept aside for provision for doubtful debts</p> <p>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</p> <p>4)Land of ₹ 1,80,000 was under valued by 20%</p>	4																																				
31	<p>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 :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 30%;">Assets</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>30,000</td> <td>Cash in Hand</td> <td>18000</td> </tr> <tr> <td>Bills payable</td> <td>16,000</td> <td>Debtors 25,000</td> <td>22,000</td> </tr> <tr> <td>General Reserve</td> <td>12,000</td> <td>Les provisions 3,000</td> <td></td> </tr> <tr> <td>Capital A/c</td> <td></td> <td>Stock</td> <td>18,000</td> </tr> <tr> <td> A 40,000</td> <td>1,10,000</td> <td>Furniture</td> <td>30,000</td> </tr> <tr> <td> B 40,000</td> <td></td> <td>Machinery</td> <td>70,000</td> </tr> <tr> <td> C 30,000</td> <td></td> <td>Goodwill</td> <td><u>10,000</u></td> </tr> <tr> <td></td> <td><u>1,68,000</u></td> <td></td> <td><u>1,68,000</u></td> </tr> </tbody> </table> <p>B retired on 1st April on following terms</p> <p>1)Provision for doubtful deaths be raised by 1000</p> <p>2)Stock to be reduced by 10% and furniture by 5%</p> <p>3)There's an outstanding claim of damages of ₹1100 and is to be provided for</p> <p>4)Creditors will be written back by ₹6000</p> <p>5)Goodwill of the firm is valued at ₹22000</p> <p>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.</p> <p>7)Gain on revaluation amounted to ₹600</p> <p>Prepare partner's capital account and and balance sheet of A and C</p>	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	<u>10,000</u>		<u>1,68,000</u>		<u>1,68,000</u>	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	<u>10,000</u>																																			
	<u>1,68,000</u>		<u>1,68,000</u>																																			
32	<p>On 31st March 2019 the Balance sheet of Madan and Mohan who share profits and losses in the ratio 3:2 was as follows:</p> <p style="text-align: center;">Balance sheet of Madan and Mohan as at 31st March 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 30%;">Assets</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>28,000</td> <td>Cash at Bank</td> <td>10,000</td> </tr> <tr> <td>General Reserve</td> <td>10,000</td> <td>Debtors</td> <td>65,000</td> </tr> <tr> <td>Employees Provident Fund</td> <td>22,000</td> <td>Less:Provision</td> <td><u>5,000</u></td> </tr> <tr> <td>Capitals:</td> <td></td> <td>Stock</td> <td>60,000</td> </tr> <tr> <td> Madan</td> <td>60,000</td> <td>Patents</td> <td>33,000</td> </tr> <tr> <td> Mohan</td> <td>40,000</td> <td></td> <td>57,000</td> </tr> <tr> <td></td> <td><u>1,00,000</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td><u>1,60,000</u></td> <td></td> <td><u>1,60,000</u></td> </tr> </tbody> </table>	Liabilities	₹	Assets	₹	Creditors	28,000	Cash at Bank	10,000	General Reserve	10,000	Debtors	65,000	Employees Provident Fund	22,000	Less:Provision	<u>5,000</u>	Capitals:		Stock	60,000	Madan	60,000	Patents	33,000	Mohan	40,000		57,000		<u>1,00,000</u>				<u>1,60,000</u>		<u>1,60,000</u>	6
Liabilities	₹	Assets	₹																																			
Creditors	28,000	Cash at Bank	10,000																																			
General Reserve	10,000	Debtors	65,000																																			
Employees Provident Fund	22,000	Less:Provision	<u>5,000</u>																																			
Capitals:		Stock	60,000																																			
Madan	60,000	Patents	33,000																																			
Mohan	40,000		57,000																																			
	<u>1,00,000</u>																																					
	<u>1,60,000</u>		<u>1,60,000</u>																																			

	<p>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</p>																																													
33	<p>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.</p>	6																																												
34	<p>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</p> <table border="1" data-bbox="204 869 1318 1272"> <thead> <tr> <th>Liabilities</th> <th>₹</th> <th>Assets</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Bank overdraft</td> <td>25,000</td> <td>Cash in Hand</td> <td>22 500</td> </tr> <tr> <td>Creditors</td> <td>60,000</td> <td>Debtors</td> <td>52,300</td> </tr> <tr> <td>Provident Fund</td> <td>12,000</td> <td>Stock</td> <td>36,000</td> </tr> <tr> <td>IFR</td> <td>6,000</td> <td>Investment</td> <td>15,000</td> </tr> <tr> <td>Commission receive in advance</td> <td>8,000</td> <td>Plant</td> <td>91 200</td> </tr> <tr> <td>Capital</td> <td></td> <td>Profit and loss A/c</td> <td>54,000</td> </tr> <tr> <td>A</td> <td>90,000</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>60,000</td> <td></td> <td></td> </tr> <tr> <td>C</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><u>2,71,000</u></td> <td></td> <td><u>2,71,000</u></td> </tr> </tbody> </table> <p>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 .</p>	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				<u>2,71,000</u>		<u>2,71,000</u>	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																																													
	<u>2,71,000</u>		<u>2,71,000</u>																																											

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
17	C.loss 28,000	1
18	C.6%	1
19	1,50,000	1
20	D .A and C both	1
21	<p>In the books of Journal</p> <p>General Reserve A/c. Dr : 16,000</p> <p style="padding-left: 20px;">To Mayank cap. : 8000</p> <p style="padding-left: 20px;">To Manik cap. : 8000</p> <p>Bank A/c. Dr. :14,000</p> <p>Stock A/c. Dr. : 8,000</p> <p>Building A/c. Dr. : 20,000</p> <p>Debtors. A/c. Dr. :12,000</p> <p style="padding-left: 20px;">To Mahesh capital. 50000</p> <p style="padding-left: 20px;">To Premium for Goodwill. 4,000</p>	$\frac{1}{2}+1$ $.5+1$ $=3$

	Premium For Goodwill A/c Dr. :4000 To Mayank Capital. 2000 To Manik capital. 2000	
--	--	--

22	<p>Atharva Capital A/c Dr : 19000 To Asha capital. :16583 To Astha Capital. : 2417</p>	1/2 for each adjustment + 1/2 for entry
----	--	---

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

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

Memorandum Balance Sheet

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

24	<p style="text-align: center;">Journal Entry</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 60%;">Particulars</th> <th style="width: 5%;">L.F.</th> <th style="width: 10%;">Dr. (₹)</th> <th style="width: 15%;">Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td>1.02.22</td> <td>Profit and Loss Suspense A/c ...Dr.</td> <td></td> <td style="text-align: right;">30,000</td> <td></td> </tr> <tr> <td></td> <td>To Sara's Capital A/c</td> <td></td> <td></td> <td style="text-align: right;">30,000</td> </tr> <tr> <td></td> <td colspan="4">(Being Sara's share of profit allowed till the date of her death)</td> </tr> </tbody> </table> <p>Profit % to sales turnover for the year ended 31st March, 2021</p> $= 120000 / 1000000 \times 100 = 12\%$ <p>Estimated sales till 1st February, 2022 = ₹ 12,00,000 × 10/12 = ₹ 10,00,000</p> <p>Profit percentage 12 - 2 = 10%</p> <p>Profit amount till 1st February, 2022 = 10% of ₹ 10,00,000 = ₹ 1,00,000</p> <p>Sara's share of profit till 1st February, 2022</p> $= 1,00,000 \times 3 / 10$ $= ₹ 30,000$ <p>2. Sara capital A/c. Dr. : 30,000 To Sara Executor :30,000</p>	Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)	1.02.22	Profit and Loss Suspense A/c ...Dr.		30,000			To Sara's Capital A/c			30,000		(Being Sara's share of profit allowed till the date of her death)				2+1(W.N)
Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)																		
1.02.22	Profit and Loss Suspense A/c ...Dr.		30,000																			
	To Sara's Capital A/c			30,000																		
	(Being Sara's share of profit allowed till the date of her death)																					
25	<p>1. Bank A/ Dr. :18,000 To Realisation. 18,000</p> <p>2. Realisation A/c. Dr :33,000 To Bank. :33,000</p> <p>3. No entry</p> <p>4. Bank A/c. Dr. : 18,000 To Realisation. 18,000</p>	1×4																				

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) = $6,60,000 \times 3/30$
= 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	<u>100</u>
To Share of Profit :			260
– 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 = <u>3,548</u>	10,000		
	40,260		40,260

28

Years (ending 31 st 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	28,000	27,000	46,900	53,810
Add Capital Expenditure Charged to Revenue		10,000		
Less: Unprovided Depreciation		(1,000)	(900)	(810)
Adjusted Profits	28,000	36,000	46,000	53,000

Weighted Average Profit = $\frac{3,15,000}{7}$
= ₹45,000
Goodwill = $45,000 \times 3 = ₹1,35,000$

Notes to Solution
 (i) Depreciation of 2021 = 10% of 10,000
= $10,000 \times \frac{10}{100} = ₹1,000$
 (ii) Depreciation of 2022 = 10% of 9000
= $9,000 \times \frac{10}{100} = ₹900$
 (iii) Depreciation of 2023 = 10% of 8,100
= ₹8,100

4

29

SOLUTION : JOURNAL

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

Working Note :
Calculation of Hidden Goodwill :

Total of Capital of the new firm on the basis of R's Capital :	$₹4,00,000 \times \frac{3}{1}$	=	₹ 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
Value of Firm's Goodwill			<u>9,60,000</u>
			<u>2,40,000</u>

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

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

1×4

	<p>2. General Reserve A/c. Dr. : 6,000 To Provision For Doubtful debt 6,000</p> <p>3. Debtor A/c Dr. : 7,000 To Revaluation : 7,000</p> <p>4. Land and Building A/c Dr: 45000 To Revaluation :45000,</p>	
--	--	--

31	<p>In the books of V,W and X Partners Capital A/c</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%;">V</th> <th style="width: 10%;">W</th> <th style="width: 10%;">X</th> <th style="width: 20%;">Particulars</th> <th style="width: 10%;">V</th> <th style="width: 10%;">W</th> <th style="width: 10%;">X</th> </tr> </thead> <tbody> <tr> <td>To V cap</td> <td></td> <td>9000</td> <td>9000</td> <td>By bal b/d</td> <td>75000</td> <td>50000</td> <td>55000</td> </tr> <tr> <td>To V loan</td> <td>97870</td> <td></td> <td></td> <td>By Revaluation</td> <td>4170</td> <td>2085</td> <td>2085</td> </tr> <tr> <td>To bal c/d</td> <td></td> <td>43435</td> <td>48435</td> <td>By P&Loss</td> <td>700</td> <td>350</td> <td>350</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>By W capital</td> <td>9000</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>By X capital</td> <td>9000</td> <td></td> <td></td> </tr> <tr> <td>To Bank</td> <td></td> <td>45935</td> <td>2500</td> <td>By bal b/d</td> <td>97870</td> <td>43435</td> <td>48435</td> </tr> <tr> <td>To bal c/d</td> <td></td> <td></td> <td>45935</td> <td>By bank</td> <td></td> <td>2500</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">Balance Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 30%;">Assets</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>B/P</td> <td>10600</td> <td>Building</td> <td>96000</td> </tr> <tr> <td>Sundry creditor</td> <td>11000</td> <td>Debtors 22000</td> <td>21340</td> </tr> <tr> <td>Capital</td> <td></td> <td>-Provision (660)</td> <td></td> </tr> <tr> <td>W- 45935</td> <td>91870</td> <td>Plant and Mach</td> <td>62400</td> </tr> <tr> <td>X-45935</td> <td></td> <td>Stock</td> <td>16000</td> </tr> <tr> <td>V loan</td> <td>97870</td> <td>Bank</td> <td>7500</td> </tr> <tr> <td></td> <td></td> <td>Cash</td> <td>9900</td> </tr> </tbody> </table>		V	W	X	Particulars	V	W	X	To V cap		9000	9000	By bal b/d	75000	50000	55000	To V loan	97870			By Revaluation	4170	2085	2085	To bal c/d		43435	48435	By P&Loss	700	350	350					By W capital	9000							By X capital	9000			To Bank		45935	2500	By bal b/d	97870	43435	48435	To bal c/d			45935	By bank		2500		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	4+2
	V	W	X	Particulars	V	W	X																																																																																											
To V cap		9000	9000	By bal b/d	75000	50000	55000																																																																																											
To V loan	97870			By Revaluation	4170	2085	2085																																																																																											
To bal c/d		43435	48435	By P&Loss	700	350	350																																																																																											
				By W capital	9000																																																																																													
				By X capital	9000																																																																																													
To Bank		45935	2500	By bal b/d	97870	43435	48435																																																																																											
To bal c/d			45935	By bank		2500																																																																																												
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%;">Debit</th> <th style="width: 25%;">Credit</th> </tr> </thead> <tbody> <tr> <td>Revaluation A/c. Dr</td> <td>52,000</td> <td></td> </tr> <tr> <td>To prov for Doubtful debts</td> <td></td> <td>2,000</td> </tr> <tr> <td>To outstanding Bills and Repair A/c</td> <td></td> <td>50,000</td> </tr> <tr> <td>Accrued interest A/c. Dr</td> <td>7500</td> <td></td> </tr> <tr> <td>Stock. A/c. Dr</td> <td>10000</td> <td></td> </tr> <tr> <td>To Revaluation A/c.</td> <td></td> <td>17,500</td> </tr> <tr> <td>Rohit Current a/c. Dr</td> <td>20,700</td> <td></td> </tr> <tr> <td>Mohit Current a/c. Dr</td> <td>13,800</td> <td></td> </tr> <tr> <td>To revaluation</td> <td></td> <td>34,500</td> </tr> <tr> <td>Bank A/c. Dr</td> <td>40,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>40,000</td> </tr> </tbody> </table>		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	Bank A/c. Dr	40,000				40,000	1/2 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																																				
Bank A/c. Dr	40,000																																					
		40,000																																				

	<table border="1"> <thead> <tr> <th colspan="2">To investments</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Rohit Current A/c. To Stock</td> <td>Dr</td> <td></td> <td>42,000</td> <td>42,000</td> </tr> <tr> <td>General Reserve. A/c. To Rohit Current A/c To Mohit Current A/c.</td> <td>Dr</td> <td></td> <td>60,000</td> <td>36,000 24,000</td> </tr> <tr> <td>Rohit Current A/c. Mohit Current A/c. To Goodwill A/c</td> <td>Dr Dr</td> <td></td> <td>30,000 20,000</td> <td>50,000</td> </tr> <tr> <td>Bank A/c. To Gopal capital A/c To premium for goodwill A/c</td> <td>Dr</td> <td></td> <td>1,60,000</td> <td>1,00,000 60,000</td> </tr> <tr> <td>Premium for Goodwill A/c. To Rohit cap A/c To Mohit cap A/c</td> <td>Dr</td> <td></td> <td>60,000</td> <td>30,000 30,000</td> </tr> </tbody> </table>	To investments					Rohit Current A/c. To Stock	Dr		42,000	42,000	General Reserve. A/c. To Rohit Current A/c To Mohit Current A/c.	Dr		60,000	36,000 24,000	Rohit Current A/c. Mohit Current A/c. To Goodwill A/c	Dr Dr		30,000 20,000	50,000	Bank A/c. To Gopal capital A/c To premium for goodwill A/c	Dr		1,60,000	1,00,000 60,000	Premium for Goodwill A/c. To Rohit cap A/c To Mohit cap A/c	Dr		60,000	30,000 30,000																																																																																												
To investments																																																																																																																											
Rohit Current A/c. To Stock	Dr		42,000	42,000																																																																																																																							
General Reserve. A/c. To Rohit Current A/c To Mohit Current A/c.	Dr		60,000	36,000 24,000																																																																																																																							
Rohit Current A/c. Mohit Current A/c. To Goodwill A/c	Dr Dr		30,000 20,000	50,000																																																																																																																							
Bank A/c. To Gopal capital A/c To premium for goodwill A/c	Dr		1,60,000	1,00,000 60,000																																																																																																																							
Premium for Goodwill A/c. To Rohit cap A/c To Mohit cap A/c	Dr		60,000	30,000 30,000																																																																																																																							
33	<p>Maheep dues to be transferred to executors = 1,15,000 + 5,000 + 20,000 + 60,000 – 20,000 = 1,80,000</p> <p style="text-align: center;">Maheep's Executors Account</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Amount (₹)</th> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>31/03/21</td> <td>To Balance c/d</td> <td></td> <td>1,93,500</td> <td>30/06/20</td> <td>By Maheep's Cap. A/c</td> <td></td> <td>1,80,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>31/03/21</td> <td>Interest (9 months)</td> <td></td> <td>13,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1,93,500</td> <td></td> <td></td> <td></td> <td>1,93,500</td> </tr> <tr> <td>30/06/21</td> <td>To Bank (I Instalment)</td> <td></td> <td>78,000</td> <td>01/04/21</td> <td>By Balance b/d</td> <td></td> <td>1,93,500</td> </tr> <tr> <td>31/03/22</td> <td>To Balance c/d</td> <td></td> <td>1,29,000</td> <td>30/06/21</td> <td>By Interest (3 months)</td> <td></td> <td>4,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>31/03/22</td> <td>By Interest (9 months)</td> <td></td> <td>9,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2,07,000</td> <td></td> <td></td> <td></td> <td>2,07,000</td> </tr> <tr> <td>30/06/22</td> <td>To Bank (II Instalment)</td> <td></td> <td>72,000</td> <td>01/04/22</td> <td>By Balance b/d</td> <td></td> <td>1,29,000</td> </tr> <tr> <td>31/03/23</td> <td>To Balance c/d</td> <td></td> <td>64,500</td> <td>30/06/22</td> <td>By Interest (3 months)</td> <td></td> <td>3,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>31/03/23</td> <td>By Interest (9 months)</td> <td></td> <td>4,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1,36,500</td> <td></td> <td></td> <td></td> <td>1,36,500</td> </tr> <tr> <td>30/06/23</td> <td>To Bank (III Instalment)</td> <td></td> <td>66,000</td> <td>01/04/23</td> <td>By Balance b/d</td> <td></td> <td>64,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>30/06/23</td> <td>By Interest (3 months)</td> <td></td> <td>1,500</td> </tr> <tr> <td></td> <td></td> <td></td> <td>66,000</td> <td></td> <td></td> <td></td> <td>66,000</td> </tr> </tbody> </table>	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 interest and bank amount + 1 for calculation of amount
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																																																																																																																				

Dr.		REALISATION ACCOUNT		Cr	
<i>Particulars</i>	₹	<i>Particulars</i>	₹		
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	<u>42,750</u>	1,10,000	
	<u>3,32,000</u>	By Loss transferred to :			
		A's Capital A/c	55,500		
		B's Capital A/c	37,000		
		C's Capital A/c	<u>18,500</u>	1,11,000	
					<u>3,32,000</u>