INDIAN SCHOOL SOHAR

Date: 21.05.2014 **UNIT TEST** Max marks: 50

Class: XII-B **ACCOUNTANCY** Time: 2 hrs

General Instructions:

1. All questions are compulsory
2. Draw neat formats with pencil
3. Provide working notes wherever necessary
4. Write down the serial number of the question before attempting it
5. Attempt all the parts of a question at one place

Use of calculators or any other calculating device is not allowed.

---

1. What is Sacrificing ratio? **1**

2. Give the formula of calculating the goodwill under super profit method. **1**

3. Mention the situation when the valuation of goodwill is required **1**

4. A and B are sharing profits in the ratio of 5:4. They admit C for 2/7th share which he takes 3/14 from A and 1/14 from B. Calculate the new profit sharing ratio. **1**

5. Ram and Mohan are partners in a business. Their capital at the end of the year were Rs.24,000 and 18,000 respectively. During the year 2012-13 Ram's drawings and Mohan's drawings were Rs.4, 000 and Rs.8,000 respectively. Profits (before charging interest on capital) during the year were Rs.16,000. Calculate the interest on capital @5% p.a. for the year ended 31st March 2013. **3**

6.A and B are partners with capitals of Rs.1,60,000 and Rs.1,20,000 respectively. They admit C as a partner on 1st January 2012 for 1/4th share in the profits of the firm. C brings in Rs.1,60,000 as his share of capital. Calculate the value of Goodwill. Give the journal entry on C's admission. **3**

7. Distinguish between Profit and loss account and Profit and loss appropriation account. **4**

8. Mohan, Praveen and Arthi are partners in a firm having capitals of Rs.80,000, Rs.40,000 and Rs.50,000 respectively sharing profits as 7:6:4. The rate of interest on capital was agreed at 10% p.a, but was wrongly credited to them at 12% p.a. Give the necessary adjustment entry to adjust the balances of partner's capital account. **4**

9. A and B are partners sharing profits and losses in the ratio of 2:3. On 1st April 2012 they admit C into partnership for 1/4th share in profits. C brought in 1,00,000 for his capital and Rs.36,000 as premium for his 1/4th share in the profits. The new profit sharing ratio of A, B and C is agreed to be 3:3:2.A and B withdraw the premium money from the business. Pass the necessary journal entries. **4**

10.A and B are partnership sharing profits and losses in the ratio of 3:2. They decided to admit C into partnership for 1/5th share in the future profits. He paid Rs.50,000 as his share of capital and firm 's goodwill is valued at Rs.36,000.It was also decided that

a) Land and building be written off by Rs.20,000.

b) Stock be written down Rs.3,200

c) a provision of Rs.1,000 be created for doubtful debts

d) An amount of Rs.1,200 included in sundry creditors, be written back as it is no longer payable

Balance sheet as at 31st March 2013

Liabilities	Amount	Assets	Amount
Capital account		Goodwill	10,000
A	86,000	Land and building	60,000
B	64,000	Plant and machinery	70,000
General reserve	20,000	Stock	36,000
Sundry Creditors	31,200	Sundry debtors	20,000
		Cash at Bank	4,000
		Cash in hand	1,200
	2,01,200		2,01,200

Prepare the Revaluation ledger account, and find out the sacrificing ratio and new ratio of partners. **6**

11. Define partnership? Explain the characteristics of partnership? 6

12. Amal, Bimal and Kamal are three partners. On 1st April 2011, their capitals stood as Amal Rs.40,000, Bimal Rs.30,000 and Kamal Rs.25,000. It was decided that

a) They would receive interest on capital @5%p.a.

b) Amal would get a salary of Rs.250 per month

c) Bimal would receive a commission @ 4% on the net profit after deduction of the commission from it and

d) After deducting all of these 10% of the profits should be transferred to general Reserve

Before the above items were taken into account, the profits for the year ended 31st March 2012 were 33,360. Prepare the profit and loss appropriation account and capital account of the partners

(OR)

Anand, Baskar and Dinkar are partners in a firm on 1st April 2011 the balance in their capital accounts stood at Rs.10,00,000, Rs.8,00,000 and Rs.6,00,000 respectively. They shared profits in the proportion of 5:4:3 respectively. Partners are entitled to interest on capital @ 10% per annum and salary to Baskar at Rs.4000 per month and commission of 16,000 per quarter to Dinkar as per the provisions of the partnership deed.

Anand’s share of profit (excluding interest on capital) is guaranteed at not less than Rs.1,90,000 p.a. Baskar’s share of profit (including interest on capital but excluding salary) is guaranteed at not less than Rs.2,45,000 p.a. Any deficiency arising on the account shall be met by dinkar. The profits of firm for the year ended 31st March 2012 amounted to Rs.8,32,000. Prepare profit and loss appropriation account for the year ended 31st March 2012. **8**

13. X and y are partners sharing profits and losses in the ratio of ¾ and ¼ . Their balance sheet as at 31st March 2012 is

Liabilities	Amount	Assets	Amount
Capital accounts		Land and building	1,25,000
X	1,50,000	Office furniture	5,000
Y	80,000	Stock	1,00,000
Workmen’s compensation		Sundry debtors	80,000
fund	20,000	Bills receivable	15,000
Sundry creditors	1,50,000	Cash at bank	1,00,000
Bills payable	37,500	Cash in hand	12,500

	4,37,500		4,37,500

They admit Z into partnership on 1st April 2012 on the following terms

1. The goodwill is to be valued at Rs.1,00,000
2. Stock and furniture to be reduced by 10%
3. Provision for doubtful debts is to be created at 5% on sundry debtors
4. The value of land and building is to be appreciated by 20%
5. No compensation is payable to workmen
6. Z pays Rs.50,000 as his capital for his 1/5th share in the future profits.

You are required to show the revaluation account, partner's capital account and the balance sheet of the new firm.

(OR)

The balance sheet of Madan and Mohan who shared profits and losses in their ratio of 3:2 on 31st March 2010 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	28,000	Cash at bank	10,000
Workmen's compensation fund	12,000	Debtors 65,000	
		Less reserve 5000	60,000
General reserve	20,000	Stock	30,000
Capitals		Investments	50,000
Madan	60,000	Patents	10,000
Mohan	40,000		
	1,60,000		1,60,000

They decided to admit Gopal on April 1st 2010 for 1/4th share on the following terms:

1. Gopal shall bring Rs.25,000 as his share of premium for goodwill
2. That unaccounted accrued income of Rs.500 be provided for.
3. The market value of investment was Rs.45,000
4. A debtor who dues of Rs.1,000 were written off as bad debts paid Rs.800 in full settlement
5. A claim of Rs.2000 on an account of workmen's compensation to be provided for.
6. Patents are undervalued by Rs.5000
7. **7.** Gopal to bring in capital equal to 1/4th of the total capital of the new firm after all adjustments. Prepare revaluation account, capital accounts of the partners and the balance sheet of the new firm. **8**

****