**INDIAN SCHOOL SOHAR**
**UNIT TEST 2017-18**
**ACCOUNTANCY**

**Total No of Pages.3**

**Date: 18.05.2017** **Time: 2Hrs**
**Class: XII** **Max Marks**:50

**General Instructions:**

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

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1. E, F and G are partners in a firm. There is no partnership deed. G wants his son 'S' to join the business but E and F did not agree. Suggest the solution keeping in mind the provisions of partnership act 1932. **1**

2. Which of the following is a charge against profit?
a)Rent paid to a partner b)Interest on capital
c)Transfer to General Reserve d)None of the above **1**

3. Hemant and Anjali are partners in a firm sharing profits and loss in the ratio of 3:2.Hemanth surrenders 1/5$^{th}$ of his share and Anjali surrenders 2/5$^{th}$ of her share in favor of Nidhi a new partner. Calculate their new profit sharing ratio. **1**

4. If the partner's capitals are fixed, where will you record the interest on capital? **1**
5. A and B are partners sharing profits equally. They admit C into partnership for equal share. Goodwill was agreed to be valued at two years' average purchase of average profit of last four years. Profits for the last four years were:

| Year ending 31$^{st}$ March | Profit |
|---|---|
| 2014 | Rs.70,000 |
| 2015 | Rs.1,00,000 |
| 2016 | Rs.55,000(loss) |
| 2017 | Rs.1,45,000 |

The books of account of the firm revealed as follows:
1. The firm had abnormal gain of Rs.10,000 during the year ended 31$^{st}$ March 2014.
2. The firm incurred abnormal loss of Rs.20,000 during the year ended 31$^{st}$ March,2015.
3. Repairs to car amounting to Rs.50,000 was wrongly debited to vehicles on 1$^{st}$ April 2015, depreciation was charged on vehicles @ 10% on straight line method. Calculate the value of goodwill. **3**

6. A and B are partners in a business and their capitals at the end of the year were Rs.7,00,000 and Rs.6,00,000 respectively. Calculate their opening capitals considering the following information:
(a)Drawings of A and B for the year were Rs.75,000 and Rs.50,000 respectively.
(b)B introduced capital of Rs.1,00,000 during the year.
(c)Interest on capital credited to the capital accounts of A and B were Rs.15,000 and Rs.10,000 respectively.
(d)Interest on drawings debited to the capital accounts of A and B were Rs.7,500 and Rs.5,000 respectively.
(e)Share of loss debited to capital accounts was Rs.20,000 each. **3**

7. Aruna and Barkha are partners in a firm sharing profits in the ratio of 7:5.On April 1, 2016 they admit Chandrika as a new partner for 1/6$^{th}$ share of goodwill: Stock Rs.60,000, debtors Rs.80,000, land Rs.2,00,000 and Plant and machinery Rs.1,20,000.On the date of admission of Chandrika, the goodwill of the firm was valued at Rs.7,50,000.Record necessary journal entries in the books of the firm on Chandrika's admission. **4**

8. Distinguish between Profit and loss account and profit and loss appropriation account. **4**

9. At the time of admission of a new partner C, the assets and liabilities of A and B were revalued as follows:
(i) A provision for doubtful debts @ 10% was made on sundry debtors (Sundry debtors Rs.50,000)
(ii)Creditors were written back by Rs.5,000
(iii)Building was appreciated by 20%(book value of building Rs.2,00,000)
(iv)Unrecorded investments were worth Rs.15,000.
Pass necessary journal entries. **4**

10.Manu, Hary and Ali and Reshma were partners in a firm sharing profits in the ratio of 2:2:2:5.On 1.4.2016 their balance sheet was as follows:

Balance sheet of as on 31.3.2016

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| **Capitals** | | Fixed assets | 8,00,000 |
| Manu | 2,00,000 | Current assets | 2,40,000 |
| Hary | 2,50,000 | | |
| Ali | 1,50,000 | | |
| Reshma | 3,50,000 | | |
| Sundry creditors | 45,000 | | |
| Workmen's compensation Reserve | 45,000 | | |
| Total | 10,40,000 | | 10,40,000 |

From the above date partners decided to share future profits equally. For this purpose the goodwill of the firm was valued at Rs.40,000.

(i) Claim against workmen compensation reserve was estimated at Rs.50,000. Fixed assets were to be depreciated by 10%.

Prepare Revaluation account, Partner's capital accounts and the balance sheet of the reconstituted firm **6**

11. On 31$^{st}$ March,2014,the balances in the capitals accounts of Raman, Naman and Chaman after making adjustments for profits and drawings were Rs.1,60,000, Rs.1,20,000 and Rs.1,60,000 respectively. Subsequently it was discovered that interest on capital and drawings had been omitted.
(a)The profit for the year ended 31$^{st}$ March, 2014 was Rs.60,000
(b)During the year Raman and Naman each withdrew a total sum of Rs.48,000 in equal installment in the middle of every month and Chaman withdrew a total sum of Rs.36,000 in equal installments at the end of each month.
(c)The interest on drawings was to be charged @ 8% and interest on capital is to be allowed @ 10% p.a.
(d)The profit sharing ratio among the partners was 1:2:1.
Showing your working notes clearly, pass the necessary rectifying entry. **6**

12. Amit, Binitha and Charu are three partners. On 1st April, 2016 their capital stood as Amit Rs.1,00,000, Binitha Rs.2,00,000 and Charu Rs.3,00,000. It was decided that:
(a)They would receive interest on capital @ 5%p.a
(b)Amit would get a salary of Rs.10,000 per month,
(c) Binitha would receive commission @ 5% of the net profit after deduction of commission and
(d) 10% of the net profit would be transferred to the general reserve.
Before the above items were taken into account, the profit for the year ended 31st March,2017 was Rs.5,00,000.Prepare profit and loss appropriation account and the capital accounts of the partner. 8

13. X and Y share profits in the ratio of 5:3.Their balance sheet as at 31st March 2017 was as follows:

| Liabilities | Amount | Assets | Amount |
|---|---|---|---|
| Creditors | 15,000 | Sundry debtors 20,000 | |
| Employees provident fund | 10,000 | Less provision 600 | 19,400 |
| Workmen compensation Reserve | 5,800 | Stock | 25,000 |
| Capital A/c | | Land and building | 5,000 |
| X | 70,000 | Fixed assets | 80,000 |
| Y | 31,000 | Profit and loss account | 2,400 |
| Total | 1,31,800 | Total | 1,31,800 |

They admit Z into partnership with 1/8th share in profits on this date. Z brings Rs.20,000 as his capital and Rs.12,000 for goodwill in cash. Z acquires his share entirely from X. Following revaluations are also made:

(i) Employees provident fund liability is to be increased by Rs.5,000.
(ii) All debtors are good. Therefore no provision is required on debtors.
(iii) Stock includes Rs.3,000 for obsolete items.
(iv) Creditors are to be paid Rs.1000 more.
(v) Fixed assets are to be revalued at Rs.70,000.

Pass necessary journal entries, prepare the revaluation account and partner's capital account and show the balance sheet after the admission of Z. **8**