INDIAN SCHOOL SOHAR

UNIT TEST 2019-20
ACCOUNTANCY

Date: 12.05.2019 Time: 2Hrs
Class: XII Max Marks:50

General Instructions:
1. All questions are compulsory.
2. Show your workings notes wherever necessary.
3. All parts of question should be attempted at one place.

1.A and B are partners in the ratio of 5:4.They admit C for a 1/10th share of profits which he acquires, in equal proportions from both. Find the new profit share ratio. **1**

2.S and R are partners in a partnership firm without a partnership deed. R wants to share the profits in the ratio of capital. State with reason whether the claim in valid or not. **1**

3. A and B are partners in a partnership firm. B withdrew Rs.9,000 at the end of each quarter, throughout the year. Calculate the interest on drawings at the rate of 6% per annum. **1**

4. Under what circumstances premium for goodwill paid by the incoming partner is not recorded in the books of accounts. **1**

5.What is reconstitution of firm? **1**

6. The capital employed in a firm is Rs.10,00,000 and the market rate of interest is 15%. Annual salary of the partners is Rs.80,000.The profits of the last three years were Rs.3,00,000, Rs.4,00,000 and Rs.5,00,000 respectively. Calculate the value of goodwill on the basis of two years purchase of the average super profits of last three years. **3**

7.Arun and Arora were partners in a firm sharing profits and losses in the ratio of 5:3.Their fixed capitals on 1st April 2018 were : Arun Rs.60,000 and Arora Rs.80,000 they agreed to allow interest on capital @ 12% per annum and charge on drawings @ 15% per annum. The profit of the firm for the year ended 31st March 2019 were before all the above adjustments were Rs.12,600.The drawings made by Arun were Rs.12,000 and by Arora Rs.8,000 during the year.
Find out interest on capital, interest on drawings and divisible profit of Arun and Arora. **3**

8. Three chartered accountants X,Y and Z form a partnership sharing profits and losses in the ratio of 3:2:1 subject to the following conditions:
(a) Z's share of profits is guaranteed to be not less than Rs.30,000 p.a.
(b) Y gives a guarantee to the effect that the gross fee earned by him during the preceding five years when he was carrying on the profession alone(the average of which works out at Rs.50,000.
Profit for the first year (year ended 31st March 2019) of the partnership of Rs.1,50,000. The gross fee earned by Y for the firm is Rs.32,000.
Prepare the profit and loss appropriation account after giving effect to the above. **3**

9.Akil, Mansi and Deepa share profits and losses in the ratio of 5:3:2.They decide to share their future profits as 4:3:3 with effect from 1st April 2018.On this date the following revaluations have taken place:

Particulars	Revised values	Book values
Investments	44,000	50,000
Plant and machinery	50,000	40,000
Land and buildings	80,000	1,00,000
Outstanding expenses	11,200	12,000
Sundry creditors	1,20,000	1,00,000
Sundry debtors	1,40,000	1,20,000

Pass necessary adjustment entry to be made because of the above change in the value of assets and liabilities. However old values will continue in the books. **4**

10. A, B and C were partners in a firm on 1st April 2018 their capitals stood as Rs.5,00,000, Rs.2,50,000 and Rs.2,50,000 respectively. As per provisions of the partnership deed:
a. C was entitled for a salary of Rs.5,000 per month.
b. A was entitled for a commission of Rs.80,000 per annum.
c. Partners were entitled to interest on capital at 6% per annum.
d. Partners will share profits in the ratio of capitals.
Net profit for the year ended 31st March 2019 was Rs.3,00,000 which was distributed equally without taking into considerations the above provisions.
Showing your workings clearly pass the necessary adjustment entry for the above. **4**

11. X and Y were partners in a firm sharing profit and losses in the ratio of 3:2.On 1st Jan 2018, their fixed capitals were Rs.3,00,000 and Rs.2,50,000 respectively. They decided to introduce additional capital on 1st July 2018, additional capital introduced by X is Rs.1,00,000 and Rs.50,000 by Y. Their partnership deed provided the following:
(i)Interest on capital is charged @ 12% per annum.
(ii) Interest on drawings is charged @ 18% p.a.
(iii) A monthly salary of Rs.2,000 to X and a monthly salary of Rs.1,500 to Y. The drawing of X is Rs.40,000 and Y Rs.30,000. During the year ended the firm earned a net profit of Rs.1,50,000. 10% of the net profit was to be transferred to General Reserve.
Prepare profit and loss appropriation account and partner's capital account for the year ended 31st December 2018. **6**

12. Krishna and Suresh were partners in a firm sharing profits in the ratio of 3:1.On 1st April 2018 they admitted Rahul as a new partner for 1/5th share in profits of the firm. On the date of Rahul's admission, the balance sheet of Krishna and Suresh showed a general reserve of Rs.1,20,000, a debit balance of Rs.60,000 in profit and loss account and workmen compensation fund of Rs.1,50,000. The following was agreed upon Rahuls' admission: The following was agreed upon on Rahul's admission:

(a) Rahul bring Rs.1,50,000 as capital and his share of goodwill premium in cash. Out of which half of the amount is withdrawn by the partners in cash.
(b)Goodwill of the firm is valued at Rs.2,40,000.
(b)There was a claim of workmen compensation for Rs.1,00,000
(c)The new profit sharing ratio between partners will be 3:1:1. Pass necessary journal entries in the partnership firm after Rahul's admission. **6**

13. S,T and U and V were partners in a firm sharing profits and losses in the ratio of 4:3:2:1.On 1.4.2018 their Balance Sheet was as follows:

Liabilities	Amount	Assets	Amount
Capitals		Fixed assets	4,40,000
S	2,00,000	Current assets	2,00,000
T	1,50,000		
U	1,00,000		
V	50,000		
Sundry creditors	80,000		
Workmen's compensation reserve	60,000		
Total	6,40,000		6,40,000

From the above date partners decided to share the future profits in the ratio of 3:1:2:4. For this purpose. The goodwill of the firm was valued Rs.90,000.
The partners are also agreed for the following:
1. The claim against workmen's compensation has been estimated at Rs.70,000.
2. Adjust the capital of the partners according to the new profit sharing ratio by opening current accounts of the partners.
Prepare Revaluation account, Partner's capital accounts and the balance sheet of the reconstituted firm. **8**

14. A and B were partners in a firm. On 1st April, 2018 they admitted G into the partnership. Their balance sheet as at 31st March 2018 stood as follows:

Liabilities	Amount	Assets	Amount
Provision for doubtful debts	40,000	Cash	1,00,000
Workmen's compensation fund	56,000	Sundry Debtors	8,00,000
Outstanding expenses	30,000	Stock	2,00,000

Creditors	3,00,000	Machinery	3,86,000
Capitals		Profit and loss account	40,000
A	5,00,000		
B	6,00,000		
Total	15,26,000	Total	15,26,000

G was admitted in the firm on the following terms:

(i) G will bring Rs.4,00,000 as his share of capital, but he was unable to bring any amount of goodwill.

(ii) The new profit sharing ratio will be 3:2:1.

(iii) Claim on account of workmen's compensation is Rs.30,000.

(iv) To write off bad debts amounting Rs.40,000.

(v) Creditors were paid Rs.20,000 more.

(vi) Outstanding expenses be brought down to Rs.12,000. Provision be provided for unforeseen liability Rs.20,000.

(vii) Goodwill of the firm is valued at Rs.1,80,000.

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

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