# REVISED HOLIDAY HOMEWORK
# CLASS XII ACCOUNTANCY

1. What are the essential features of a partnership?
2. Write the contents for partnership deed?
3. X and Y started business with capital of Rs. 1,00,000 and Rs. 60,000 on 1st April 2018. Y is entitled to a salary of Rs. 800 per month. Interest is allowed on capitals and is charged on drawings at 6% per annum. Profits are to be distributed equally after the above noted adjustments. During the year X withdrew Rs. 16,000 and Y withdrew Rs. 20,000. The profit for the year before allowing for the terms of the partnership deed came to Rs. 60,000. Assuming the capitals to be fixed , prepare the capital and current accounts of X and Y.
4. Sita and Gita are partners in a firm. Balances of their capital accounts as on 1st April, 2018 were as follows; Sita Rs. 40,000, Gita Rs. 30,000. Sita introduced Rs. 5,000 as an additional capital on 1st October 2018 and Gita introduced Rs. 7,500 as additional capital on 1st November, 2018. Sita drew capital amounting to Rs. 7,500 on 1st January 2019 and Gita withdrew capital amounting Rs. 2,500 on 1st February, 2019. They have further agreed to allow interest on capital @12% per annum. Books of the accounts of the firm are to be closed on 31st March 2019.
   Calculate interest to be allowed on partner's capital.
5. Calculate the interest on drawings of X @ 10% p.a. for the year ended 31st March, 2018 in each of the following cases:-
   a. If his drawings during the year were Rs. 12,000
   b. If he withdrew Rs. 1,000 p.m. at the beginning of every month.
   c. If he withdrew Rs. 1,000 p.m. at the end of every month.
   d. If he withdrew Rs. 1,000 p.m. In the middle of each month.
   e. In he withdrew the following amounts; April 30th Rs. 3,000, June 30th Rs. 2,000, October 1st Rs. 4,000 , December 31st Rs. 1,500, February 1st 2,500
   f. If he withdrew Rs. 3,000 at the beginning of each quarter
   g. If he withdrew Rs. 3,000 at the end of each quarter.
   h. If he withdrew Rs. 3,000 during the middle of each quarter.

6. X, Y and Z are three partners in a firm since 31-3-2015. They share profits and losses equally. According to the partnership agreement interest on drawings is to be charged at the rate of 10% p.a. Drawings made by partners during the year 2014-2015 are as follows:-

| **Date** | **A** | **B** | **C** |
|---|---|---|---|
| April 1 | 2500 | 1500 | 1000 |
| July 1 | 1500 | 1000 | 1500 |
| December 1 | 2500 | 2000 | 1000 |
| February 1 | 1000 | 500 | 500 |

The profits for the year amount to Rs. 15,000.

You are required to compute the interest on drawings recoverable from the partners.

7. X, Y and Z are partners in a firm sharing profits in the ratio of 2 : 2 : 1. According to the terms of the partnership agreement, Z has to get a minimum of Rs. 12,000 irrespective of the profits of the firm. Any excess payable to Z account of such a guarantee shall be borne by X.
   Prepare the profit or loss appropriation account showing the distribution of profits among the partners in case the profits for the year 2017-2018 are

   a. Rs. 50,000 and
   b. Rs. 80,000
8. Ram and Shyam with capitals of Rs. 60,000 and 20,000 respectively on 1st April, 2018. Net profit (before provisions of deed) for the year ended 31st March, 2019 was Rs. 24,000. The provision Deed provides:-

   a. B is entitled to a salary of 6,000 p.a.
   b. Interest on capital is to be allowed @ 6% p.a.
   c. Interest on drawings is to be charged @ 5% p.a.

The drawings of the partners A and B were Rs 6000 and 4000 respectively and interest on drawings for A being Rs. 200 and B Rs. 100.

Pass the journal entries for the above and show profit will be divided between A and B and also show the capital accounts of the partners along with their Drawings Accounts;

   d. If they are fixed
   e. If they are fluctuating

9. **: Radha and Raman are partners in a firm sharing profits and losses in the ratio of 5:2. Capital contributed by them is Rs. 50,000 and Rs. 20,000 respectively. Radha was given salary of Rs. 10,000 and Raman Rs. 7,000 per annum. Radha advanced loan of Rs. 20,000 to firm without any agreement to rate of interest in deed while in deed rate of interest on capital was mentioned as 6% p.a. Profits for the year are Rs. 29,400. Prepare Profit and Loss Appropriation Account for the year ending 31st March 2015.**
**Solution:**
**Profit and Loss Appropriation account**
**For the year ending on 31.03.2015**

**10 Amit and Sumit commenced business as partners on 01.04.2014. Amit contributed Rs. 40,000 and Sumit Rs. 25, 000 as their share of capital. The partners decided to share their profits in the ratio of 2:1. Amit was entitled to salary of Rs. 6,000 p.a. Interest on capital was to be provided @ 6% p.a. The drawings of Rs. 4, 000 was made by Amit and Rs. 8,000 was made by Sumit. The profits after providing salary and interest on capital for the year ended 31$^{st}$ March, 2015 were Rs. 12,000.**
**Draw up the capital accounts of the partners**
**1. When capitals are fluctuating**
**2. When capitals are Fixed**

**11. A and B entered into partnership on 1st April, 2014 without any partnership deed. They introduced capitals of Rs. 5,00,000 and Rs. 3,00,000 respectively. On 31st October, 2014, A advanced Rs. 2,00,000 by way of loan to the firm without any agreement as to interest.**
**The Profit and Loss Account for the year ended 31-03-2015 showed a profit of Rs. 4,30,000 but the partners could not agree upon the amount of interest on Loan to be charged and the basis of division of profits. Pass a Journal Entry for the distribution of the Profits between the partners and prepare the Capital A/cs of both the partners and Loan A/c of 'A'.**
**Solution:**
**Profit and Loss Appropriation Account**

**12.** Gaurav, Kashish, and Vaibhav are partners in a firm sharing profits and losses in the ratio of 2:3:1. Their fixed capitals were ₹6,00,000; ₹2,00,000 and ₹4,00,000, respectively. Interest on capital for the year 2020-21 was credited to them @ 9%

p.a. instead of 10% p.a. The profit for the year after charging interest was ₹5,00,000. Prepare the Adjustment Table and pass the Adjustment Entry

13. Sukant and Bijay are partners in a firm sharing profits and losses in the ratio 3:5. Their fixed capitals were ₹10,00,000 and ₹18,00,000, respectively. After the closing of accounts of the year, it was found that interest on capital @10% p.a. as provided in the partnership deed has not been credited to the Capital Accounts of the partners. Pass a necessary journal entry to rectify the error.

14. The net profit of a firm for the year ended 31st March 2020 was ₹1,20,000, which has been duly distributed amongst its partners Hardik, Sumit, and Shubham in their agreed proportions of 2:1:1, respectively. It was discovered on 10th April 2020 that the undermentioned transactions were not passed through the books of accounts of the firm for the year ended 31st March 2020, which stood duly closed on that date:

9. Interest on Capital @ 10% p.a.
10. Interest on Drawings: Hardik ₹1,400; Sumit ₹1,000; Shubham ₹600.
11. Salary of ₹20,000 to Hardik and ₹30,000 to Sumit.
12. Commission due to A on a special transaction, ₹12,000

The capital accounts of the partners on 1st April 2019 were: Hardik ₹1,00,000; Sumit ₹80,000; Shubham ₹60,000. Suggest a journal entry that should be passed on 10th April 2020 that will not affect the Profit & Loss Account of the firm for 2019-20 and at the same time rectify the position of the partners.

15. **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.**

**16. Arun, Boby and Chintu are partners in a firm sharing profit in the ratio or 2:2:1. According to the terms of the partnership agreement, Chintu has to get a minimum of ₹ 60,000, irrespective of the profits of the firm. Any Deficiency to Chintu on Account of such guarantee shall be borne by Arun. Prepare the Profit and loss Appropriation Account showing distribution of profits among the partners in case the profits for year 2015 are: (i) ₹ 2,50,000; (ii) 3,60,000.**

**(i) When the profift is ₹ 2,50,000**

**17.** Sahil, Vishal, and Anand are partners in a firm sharing profits and losses in the ratio of 2:1:2. Their fixed capitals were ₹3,00,000; ₹6,00,000, and ₹12,00,000, respectively. Interest on capital for the year 2020-21 was credited to them @ 10% p.a. instead of 8% p.a. The profit for the year after charging interest was ₹6,00,000. Prepare the Adjustment Table and pass the Adjustment Entry.

18. Anshul, Abhinav, and Navya are partners in a firm sharing profits and losses in the ratio of 2:3:5. After division of the profit for the year ended 31st March 2022 their capitals were ₹1,00,000; ₹1,20,000; and ₹1,40,000. During the year, they withdraw ₹40,000 each. The profit of the year was ₹40,000. The partnership deed provided that interest on capital will be allowed @10% p.a., but while preparing the final accounts interest on partners' capital was not allowed. Calculate the capital of Anshul, Abhinav, and Navya on 1st April 2021 and pass the necessary journal entry for providing Interest on Capital

19 Give the meaning of ‘reconstitution of a partnership. .
20 State the ratio in which the partners share the accumulated profits when there is a change in the profit sharing ratio amongst the existing partners.
21. State the ratio in which the partners share profits or losses on revaluation of assets and liabilities, when there is a change in profit sharing ratio amongst the existing partners..
22. State any two occasions on which a firm can be reconstituted.
Or
List any two situations which may result in the reconstitution of a partnership firm.
23. Why are ‘reserves and surplus’ distributed at the time of reconstitution of the firm?
24. Hari, Kunal and Uma are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. From 1st April, 2018 they decided to share future profits and losses in the ratio of 2 : 5 : 3. Their Balance Sheet showed a balance of? 75,000 in the Profit and Loss Account and a balance of? 15,000 in Investment Fluctuation Fund. For this purpose, it was agreed that:
(i) Goodwill of the firm was valued at ₹ 3,00,000.
(ii) Investments (having a book value of ₹ 50,000 were valued at ₹ 35,000.
(in) Stock having a book value of ₹ 50,000 be depreciated by 10%.
Pass the necessary journal entries for the above in the books of the firm

25. **Accounting For Partnership Firms : Admission of A Partner**
**1 : (When new partner acquires his share from old partners in the old ratio).**
**A and B are partners in a firm sharing profits and losses in the ratio 1:2. Tl admitted C into the partnership and decided to give him 1/3rd share of the full profits. Find the new ratio of the partners.**
**2 : (When new partner acquires his share from old partners in agreed share) L and M are partners in a firm sharing profits and losses in the ratio of 7:3. They admitted N for 3/7th share which he takes 2/7th from L and 1/7 from M Calculate the new profit sharing ratio.**
**Case (iii) When new partner acquires his/her share from old partners in certain ratio.**

**3 : X and Y are  partners in a firm sharing profit and losses in the ration of 3:2 Z is admitted as partner in the firm for 1/6th share in profits. Z acquires his share from X and Y in the ratio of 2 : 1 Calculate new profit sharing ratio of partners.**
**4 : (When new partner acquire his share form old partners as a fraction of their share).**
**A and B are partners in a firm sharing profit and losses in the ratio of 5:3. A Surrenders 1/5th of his share, whereas B surrenders 1/3 of his share in favour of C, a new partner. Calculate the new profit sharing ratio.**
**Case (v) When new partner does not acquire his/her share from all partners.**

**5 : (When new partner does not acquire his share from all partners) A, B and C are partners sharing profits in the ratio of 3:2:1. They admit D for 1/6 share. C would retain his old share. Calculate new ratio of all partners.**
**er is admitted.**

**6 : (When more than one partner is admitted simultaneously) : X and Y are partners sharing profits in the ratio of 3:2. They admit P and Q as new partners. X surrendered 1/3 of his share in favour of P and Y surrendered ¼ of his share in favour of Q. Calculate the new profit sharing ratio of X, Y, P and Q.**

**7 : (All partners sacrifice) : A and B partners sharing profits and losses in the ratio of 3:2. They admit C into partnership for 1/4 share in profits. C's brings Rs. 3,00,000 as capital and Rs. 1,00,000 as goodwill. New profit sharing ratio of the partners shall be 3:3:2. Pass necessary Journal entries.**

**8. (Sacrificing ratio is to be calculate) : A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. C is admitted as a new partner. A Surrenders 1/5 of his share and B 2/5 of his share in favour of C. For purpose of C's admission, goodwill of the is valued at Rs. 75,000 and C brings his share of goodwill in cash**

**which is retained in the firm's books. Journalise the above transactions.**

**9 : (Existing goodwill to be written off) : A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. They admit c into partnership for 1/5 share. C brings Rs. 30,000 as capital and Rs. 10,000 as goodwill. At the time o admission of C, goodwill appears in the balance sheet of A and B at Rs. 3,000. New Profit sharing ratio of partners shall be 5:3:2. Pass necessary entries.**
Case (1) . **Premium brought in cash**
**Case (ii) Premium brought in kind**

**10 : (premium brought in kind) : Anubhav and Babita are partners in a firm sharing profits and losses in the ratio of 3:2. On April 1, 2015 they admit Deepak as a new partner for 3/13 share in the profits. Deepak contributed the following assets towards his capital and for his share of goodwill.**
**Land Rs. 90,000, Machinery Rs. 70,000 stock Rs. 60,000 and debtors Rs. 40,000. On the date of admission of Deepak, the goodwill of the firm was valued at Rs. 5,20,000, which is not appear in the books. Record necessaries journal entries in the books of the firm. Show your calculation clearly.**
**Case (iii) Amount of goodwill which was brought in by new partner, is withdrawn by old partner :**

**Case (iv) when the new partner is unable to bring his share of goodwill in cash.**

**11 : Neeta and Sumita are partners sharing profits and losses in the ratios of 2:1. They admit Geeta as a partner for 1/4th share. Geeta pays Rs. 50,000 as capital but does not bring any amount for goodwill. The goodwill of the new firm is valued at Rs. 36,000. Give Journal entries.**
**Solution :**
**Case (v) Partly goodwill brought in by new partner :**

**12: (Partly premium brought in cash) : Sheetal and Raman share profits equally. They admit Chiku into partnership. Chiku pays only Rs. 1,000 for premium out of his share of premium of Rs. 1,800 for ¼ share of profit. Goodwill Account appears in the books at Rs. 6,000. All partners have decided that goodwill should not appear in the books of the new fir, Journalise.**
**Case (vi) Gain made by an old partner :**

**13: (Sacrifice/Gain made by an old partner) : Ashok and Ravi were partners in a firm sharing profits and losses in the ratio of 7:3. They admitted Chander as a new partner. The new profit ratio between Ashok, Ravi and Chander will be 2:2:1. Chander brought Rs. 24,000 for his share of goodwill.**
**Pass necessary journal entries for the treatment of goodwill.**
**14 : A and B are partners with capitals of Rs. 26,000 and Rs. 22,000 respectively. They admit C as partner with 1/4th share in the profits of the firm. C's brings Rs 26, 000 as his share of capital. Give journal entry to record goodwill on C's admission.**

**15 : Following is the Balance Sheet of Shashi and Ashu shari profit as 3 : 2.**

| Particulars | (Rs.) | Assets | (Rs.) |
|---|---|---|---|
| Creditors<br>General reserve<br>Workmen's compensation fund<br>Capital : Shashi<br>Ashu | 18,000<br>25,000<br>15,000<br>15,000<br>10,000 | Debtors 22,000 Less: Provision for DD 1,000<br>Land and Building<br>Plant and machinery<br>Stock<br>Bank | 21,000<br>18,000<br>12,000<br>11,000<br>21,000 |
| | 83,000 | | 83,000 |

**On admission of Tanya for 1/6 th share in the profit it was decided that :**
**(i) Provision for doubtful debts to be increased by Rs. 1,500.**

**(ii) Value of land and building to be increased to Rs. 21,000.**

**(iii) Value of stock to be increased by Rs. 2,500.**

**(iv) The liability of workmen's compensation fund was determined to be Rs. 12,000.**

**(v) Tanya brought in as her share of goodwill Rs. 10,000 in cash.**

**(vi) Tanya was to bring further cash of Rs. 15,000 for her capital.**

**Prepare Revaluation A/c, Capital A/cs and the Balance Sheet of the new firm**