Summer Vacation 2025-26

HOLIDAYS HOMEWORK

CLASS: XII B

SUBJECT: ACCOUNTANCY

1.Ishu, Vishu and Nishu are partners in a firm sharing profits and losses in the ratio of 2:3:5. Their fixed capitals were ₹1,50,000, ₹3,00,000 and ₹6,00,000 respectively. After the final accounts have been prepared it was discovered that interest on capital was credited to them @ 12% instead of 10%.

(A) Nishu's Current A/c will be Debited by ₹1,500.

(B)Nishu's Current A/c will be Credited by ₹1,500.

(C)Nishu's Capital A/c will be Credited by ₹1,500.

(D)Nishu's Capital A/c will be Debited by ₹1,500.

2.Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Rent paid to partner is shown in P & L Appropriation A/c. Reason (R): Rent paid to partner is a charge against the profits.

In the context of the above statements, which one of the following is correct?

(A) (A) is correct, but (R) is wrong.

(B) Both (A) and (R) are correct.

(C) (A) is wrong, but (R) is correct.

(D) Both (A) and (R) are wrong.

3.If there exist insufficient profits for appropriations, the available profit is distributed in:

(A)Profit-sharing ratio

(B)Appropriation ratio

(C)Capital ratio

(D)Equally

4. The interest on drawings to be charged from a partner on an amount of 30,000 @ 5% p.a. will be:

(A)₹15,000

(B)₹1,500

(C)₹750

(D) ₹150

5. The journal entry for transfer of profits to reserves will be:

(A)Reserves A/C ……Dr.

To Profit & Loss Appropriation A/C

(B)Reserves A/C ……Dr.

To Profit & Loss A/C

(C)Profit & Loss Appropriation A/C ……Dr.

To Reserves A/C

(D)Profit & Loss A/C ……Dr.

To Reserves A/C

6.Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion(A): Goodwill is raised amongst the old partners, in their old ratio and gets written off amongst the partners in their new ratio.

Reason(R): Goodwill is the fruit of partner's past efforts.

In the context of the above statements, which one of the following is correct?

(A) (A) is correct, but (R) is wrong.

(B) Both (A) and (R) are correct.

(C) (A) is wrong, but (R) is correct.

(D) Both (A) and (R) are wrong.

7. A, B, and C are partner''s sharing profits in the ratio of 5::3::2. According to the partnership agreement C is to get a minimum amount of ₹ 18,000 as his share of profits every year. .The net profit for the year ended 31st March, 2019 amounted to ₹50,000. .How much amount is contributed?

(A)₹1,250; ₹3,750

(B)₹4,000; ₹4,000

(C)₹2,000; ₹5,000

8. Seeta and Geeta are partners sharing profits and losses in the ratio 4::1. . Meeta was manager who received the salary of ₹ 4,000 p..m. . in addition to a commission of 5% % on net profits after charging such commission. . Profit for the year is ₹ 6,30,000 before charging salary. . Find the total

9. Assertion (A): Number of years purchase is multiplied in the calculation of goodwill of the firm.

Reason (R): It is the measure of firm's reputation out of its past efforts.

A.Both Assertion (A) and Reason (R) are true.

B.Both Assertion (A) and Reason (R) are false.

C.Assertion (A) is true and Reason (R) is false.

D.Assertion (A) is false and Reason (R) is true.

10.A partnership firm earned divisible profit of ₹ 5,00,000, interest on capital is to be provided to partner is ₹3,00,000, interest on loan taken from partner is ₹50,000 and profit-sharing ratio of partners is 5::3. Sequence the following in correct way:

A.Distribute profits between partners

B.Charge interest on loan to Profit and Loss A//c

C.Calculate the net profit Transfer to Profit and Loss appropriation A//C.C.

D.Provide interest on capital

11.P and Q were partners in a firm sharing profits in 3::1 ratio. . Their respective fixed capitals were ₹10,00,000 and ₹6,00,000. . The partnership deed provided interest on capital @ 12 % % p..a. . even if it will result into a loss to the firm. . The net profit of the firm for the year ended 31st March, 2023 was ₹1,50,000..

Pass necessary journal entries in the books of the firm allowing interest on capital and division of profit//loss amongst the partners. 3

12.On 01..04..2018 Raheem and Kareem started partnership business. . Raheem contributed for ₹72,00,000 first and increased by ₹3,00,000 after seven months.. KareemKareem contributed₹ 3,00,000 first and increased it to ₹4,00,000 after five months and he withdrew out of capital₹ 2,00,000 after nine months

Calculate interest on capital on 31..03..2019 if rate of interest on capital is 12% % p..a.. 3

13. D, S and M are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: Year ending on 31st March,2019 ₹ 50,000 (Profit) Year ending on 31st March,2020 ₹ 1,20,000 (Profit) Year ending on 31st March,2021 ₹ 1,80,000 (Profit) Year ending on 31st March,2022 ₹ 70,000 (Loss) On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Calculate the amount of Goodwill. 3

14. The average net profits Expected of the firm in future are ₹ 68,000 per year and capital invested in the business by the firm is ₹ 3,50,000. The rate of interest expected from capital invested in this class of business is 12%. The remuneration of the partners is estimated to be ₹ 8,000 for the year. You are required to find out the value of goodwill on the basis of 2 years purchase of super profits. 3

15. Sanjay, Sudha and Shakti are partners in a firm sharing profits in the ratio of 3::1::1. . Their fixed capital balances are ₹4,00,000, ₹1,60,000 and ₹1,20,000 respectively. . Net profit for the year ended 31st March, 2020 distributed amongst the partners was ₹1,00,000, without taking into account the following adjustments:

(a)) Interest on capitals @ 2..5% % p..a..

(b)) Salary to Sanjay ₹18,000 p..a. . and commission to Shakti ₹12,000.

(c)) Sanjay was allowed a commission of 6% % of divisible profit after charging such commission..

Pass a rectifying journal entry in the books of the firm. . Show workings clearly. 4

16 Ajay, Binod and Chandra entered into partnership on 1st April 2019 with a capital of ₹3,00,000, ₹2,00,000 and ₹1,00,000 respectively. In addition to capital Chandra has advanced a loan of ₹1,00,000. Since they had no agreement to guide them, they faced following issues during and at the end of the year.

1. Ajay wanted interest on capital to be provided @8% pa but Binod and Chandra did not agree.

2. Chandra wanted that interest on loan be paid to him @ 10% pa but Ajay and Binod wanted to pay @ 5% pa.

3. Ajay and Binod demanded to share profits in the ratio of their capital contribution, Chandra is not in agreement with this proposal.

4. Binod, being working partner, demands a lump sum payment of ₹40,000 as remuneration for which the other two partners are not in agreement.

You are required to suggest and help them resolve these issues. 4

17 A business has earned average profits of ₹1,00,000 during the last few years and the normal rate of return in similar business is 10%. Find out the value of goodwill by (i) Capitalisation of super profit method. (ii) Super profit method, if the goodwill is valued at 3 years' purchase of super profit. The assets of the business were ₹10,00,000 and its external liabilities ₹1,80,000. 4

18. A, B and Care partners share profits and losses in the ratio of 3:2:1. Their capitals ₹1,00,000, ₹75,000 and ₹50,000 respectively. They agreed to allow interest on capital @ 10 % p.a. and agreed to charge interest on drawings @10% p.a. Their drawings for the year were ₹10,000, ₹8,000 and ₹6,000 respectively. C was very active getting a salary of ₹2,000 per month and in return, he guaranteed that firm's profit would not be less than ₹80,000 before charging or allowing interest and salary payable to C. Actual profit for the year 2011 was ₹75,000. Prepare Profit and Loss Appropriation Account and Partners Capital Account. 6

19. Aman and Chaman are partners sharing profits and losses in the ratio of 2:1. On 1st April, 2011 their capitals were Aman - ₹50,000 and Chaman - ₹40,000.

Prepare the Profit and Loss Appropriation Account and the Partners' Capital Account at the end of the year after considering the following items:

a) Interest on Capital is to be allowed @ 5% p.a.

b)Interest on partners' drawings @ 6% p.a. Drawings: Aman – ₹10,000 and Chaman – ₹8,000.

c)Aman is entitled to get a salary @ ₹500 per month.

d)10% of the divisible profit is to be transferred to Reserve.

They earned profit of ₹70,500 for the year ended 31st March, 2012. 6

20 From the following information, calculate value of goodwill of M/s Amrit and Amar :

1.At three years purchase of average profit.

2.At three years purchase of super profit.

3.On the basis of capitalization of super profit.

4.On the basis of capitalization of average profit.

Information:

a.Average capital employed- ₹10,00,000.

b.Net profit/loss of the firm for the past years 2021- ₹1,60,000; 2022- ₹1,40,000; 2023- ₹2,70,000

c.Normal Rate of Return on capital is 11%.

d.Remuneration to each partner for his service to be treated as a charge on profit ₹2,500/month

Assets excluding goodwill- ₹11,00,000. Liabilities- ₹1,00,000.

21. Ram, Mohan and Sohan were partners sharing profits in the ratio of 2 : 1 : 1. Ram withdrew Rs. 3,000 every month and Mohan withdrew Rs. 4,000 every month. Interest on drawings @ 6% p.a. was charged, whereas the partnership deed was silent about interest on drawings. **Showing your working clearly, pass the necessary adjustment entry to rectify the error.**

22. Yadu, Vidu and Radhu were partners in a firm sharing profits in the ratio of 4 : 3 : 3. Their fixed capitals on 1st April, 2018 were Rs. 9,00,000, Rs. 5,00,000 and Rs. 4,00,000 respectively. On 1st November, 2018, Yadu gave a loan of Rs. 80,000 to the firm. As per the partnership agreement :

(i) The partners were entitled to an interest on capital @ 6% p.a.

(ii) Interest on partners' drawings was to be charged @ 8% p.a.

The firm earned profits of Rs. 2,53,000 (after interest on Yadu's loan) during the year 2018 – 19.
Partners' drawings for the year amounted to Yadu : Rs. 80,000, Vidu : Rs. 70,000 and Radhu : Rs. 50,000.
Prepare Profit and Loss Appropriation Account for the year ending 31st March, 2019

Direction Read the following hypothetical situation and answer Q. No. 23 and 24
Pia, Tia and Sia were partners in a firm trading in electrical appliances. They were sharing profits in the ratio of 5: 3 :2. Their fixed capitals on 1st April, 2022 were Rs. 6,00,000 Rs. 8,00,000 and Rs.16,00,000 respectively. After the flood in Uttarakhand, all partners decided to help the flood victims personally. For this, Pia withdrew Rs. 40,000 from the firm on 15th September, 2022. On the same date, Tia instead of withdrawing cash from the firm, took some appliances amounting to Rs. 48,000 from the firm and distributed those to the flood victims. On the other hand, Sia withdrew Rs. 4,00,000 from her capital on 1st January, 2023 and provided a mobile medical van in the flood affected area. The partnership deed provides for charging interest on drawings @ 6% per annum. Interest on capital was a allowed @ 10%

23 Interest on Sia's capital will be:

(a) Rs. 60,000 (b) Rs. 80,000 (c) Rs. 1,00,000 (d) Rs. 1,50,000

24. Interest on Tia's drawings will be:
(a) Rs. 1300 (b) Rs. 1560 (c) Rs. 2880 (d) Rs. 1440

25. The capital of the firm of Anuj and Benu is Rs. 10,00,000 and the market rate of interest is 15%. Annual salary to the partners is Rs. 60,000 each. The profit for the last three years were Rs. 3,00,000, Rs. 3,60,000 and Rs. 4,20,000. Goodwill of the firm is to be valued on the basis of two years purchase of last three years average super profits. Calculate the goodwill of the firm.
(a)Rs.1,50,000 (b) Rs.1,80,000 (c) Rs.2,00,000 (d) Rs. 1,90,000

26.

The goodwill of a firm is valued at 3 years' purchase of the average profits of last 3 years. The profits of the last three years were :

Year	Profit (Rs.)
2015 – 16 :	Rs.4,00,000 (including an abnormal gain of Rs. 50,000)
2016 – 17	Rs.5,00,000 (after charging an abnormal loss of Rs. 1,00,000)

:	
2017 – 18 :	Rs.2,50,000

Calculate the amount of the goodwill.

27. Sudha, Naresh and Geeta were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Their fixed capitals were Rs.6,00,000; Rs.4,00,000 and Rs.2,00,000 respectively. Besides her capital Geeta had given a loan of Rs.75,000 to the firm. Their partnership deed provided for the following :

(i) Interest on capital @ 9% p.a.

(ii) Interest on partners' drawings @ 12% p.a.

(iii) Salary to Sudha Rs.30,000 per month and to Naresh Rs.40,000 per quarter.

(iv) Interest on Geeta's loan @ 9% p.a.

During the year Sudha withdrew Rs.50,000 at the end of each quarter; Naresh withdrew Rs.50,000 in the beginning of each half year and Geeta withdrew Rs.70,000 at the end of each half year. The profit of the firm for the year ended 31-3-2019 before allowing interest on Geeta's loan was Rs.7,06,750.

Prepare Profit and Loss Appropriation Account.

28. Naveen, Qadir and Rajesh were partners doing an electronic goods business in Uttarakhand. After the accounts of partnership were drawn up and closed, it was discovered that interest on capital has been allowed to partners @ 6% p.a. for the years ending 31st March, 2017 and 2018, although there is no provision for interest on capital in the partnership deed. On the other hand, Naveen and Qadir were entitled to a salary of Rs.3,500 and Rs.4,000 per quarter respectively, which has not been taken into consideration. Their fixed capitals were Rs.4,00,000, Rs.3,60,000 and Rs.2,40,000 respectively. During the last two years they had shared the profits and losses as follows :

Year Ended Ratio 31st March, 2017 3 : 2 : 1

Year Ended Ratio 31st March, 2018 5 : 3 : 2

Pass necessary adjusting entry for the above adjustments in the books of the firm on 1st April, 2018. Show your workings clearly.

29. Find the value of the goodwill of a firm on the basis of two years' purchase of last 4 years average profits. The profits of the last 4 years were: Rs.30,000, Rs.45,000, Rs. 40,000, and Rs.43,000. The profits of first year includes theft of goods Rs.3, 000, profit of second year includes abnormal gain of Rs.3,000 while profits of fourth year includes speculative profit of Rs.2,000.

(a).Goodwill Rs.39,000 of the firm.

(b).Goodwill Rs.75,000 of the firm.

(c).Goodwill Rs.76,000 of the firm.

(d).Goodwill Rs.78,000 of the firm.

30. The profits of the firm for last 5 years were as follows:

2010- Rs. 19,000,2011- Rs. 25,000, 2012- Rs.27,000,2013- Rs.30,000, 2014- Rs.33,000. Calculate goodwill on the basis of 2 years' purchase of weighted average profits. The weights were 1,2,3,4 and 5 respectively.

(a)Goodwill Rs.38,000 of the firm.

(b) Goodwill Rs.58,000 of the firm.

(c) Goodwill Rs.48,000 of the firm.

(d) Goodwill Rs.68,000 of the firm.

31.

A, B and C were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. On 1.4.2017 the balances in their Capital and Current Accounts were as follows :

Particulars	Capital Account	Current account
A	4,00,000 Cr.	20,000 Dr.
B	5,00,000 Cr.	10,000 Dr.
C	6,00,000 Cr.	15,000 Dr.

Their partnership deed provided for the following :

(i) Interest on Capital @ 9% p.a.

(ii) Salary to A @ Rs. 50,000 per quarter On 1.1.2016 C had given a loan of Rs. 2,00,000 to the firm at 6% per annum interest.

During the year their drawings were A Rs. 40,000, B Rs. 75,000 and C Rs. 55,000. On 1.1.2018, A introduced further capital Rs. 2,00,000.

The net profit of the firm before allowing interest on C's loan was Rs. 4,00,000.

Prepare Profit and Loss Appropriation Account of the firm for the year ending 31.3.2018 and the Current Accounts of the partners.

32. A, B and C were partners. Their fixed capitals were Rs. 60,000, Rs. 40,000 and Rs. 20,000 respectively. Their profit sharing ratio was 2 : 2 : 1. According to the partnership deed, they were entitled to interest on capital @ 5% p.a. In addition, B was also entitled to draw a salary of Rs. 1,500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year, Rs. 80,000, were distributed in the ratio of their capitals without providing for any of the above adjustments. Showing your workings clearly, **pass the necessary adjustment entry.**