

**JB Academy**  
**Review Test 2019**  
**Class XII (Accountancy)**

**Time-1.5 hour**

**M.M -40**

- Q1. What share of profits would a "Sleeping or Dormant partner " who has contributed 75% of the total capital get in the absence of partnership deed ? (1)
- Q2. What is the number of partners that a partnership firm can have ? Name the Act that provides for the maximum number of partners in a partnership firm . (1)
- Q.3 Give two circumstances in which gaining ratio may be applied . (1)
- Q.4 What is "Hidden Goodwill". (1)
- Q5 A and B are partner in a firm. Their capital accounts showed the balance on April 1,2015 as Rs.4,00,000 and Rs. 3,00,000 respectively. On August 1, 2015 they introduced further capitals of Rs.50,000 and Rs.40,000 respectively. B withdrew Rs.15,000 from his capital on March, 1,2016. Interest is allowed @6% p.a. on capitals . Compute interest on capitals for the year ending March 31, 2016. (3)
- Q.6 A , B and C were partners in a firm having capitals of Rs.60,000; Rs. 60,000 and Rs. 80,000 respectively . Their current Account balances were A:Rs. 10,000; B Rs. 5,000 and C Rs.2,000 (Dr.). According to partnership deed 10% of the net profit is to be transferred to General Reserve and the partners were entitled to interest on capital @ 5% p.a. The profits were to be divided as follows:
- a) The first RS. 20,000 in proportion to their capitals.
  - b) Next Rs.30,000 in the ratio of 5:3:2.
  - c) Remaining profits to be shared equally.
- The firm made a profit of Rs. 1,80,000 for the year ended 31<sup>st</sup> March, 2019 before charging any of the above items. Prepare the Profit and Loss Appropriation Account, (3)
- Q.7 Ravi and Mohan were partners in a firm sharing in the ratio of 7:5. Their respective fixed capitals Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following :
- i) Interest on capital @12% p.a.
  - ii) Ravi`s salary Rs.6,000 per month and Mohan`s salary Rs.60,000 per year.
- The profit for the year ended 31-3-2019 was Rs. 5,04,000 which was distributed equally , without providing for the above. Pass an adjustment entry. (3)
- Q. 8 X, Y and Z are partners sharing profits in the ratio of 4:3:2 . From April 1, 2017 they decided to share profits equally. On that date their books showed the following items ;
- |                                      |             |
|--------------------------------------|-------------|
| Profits & Loss Account (Cr.)         | Rs.1,20,000 |
| General Reserve                      | Rs. 45,000  |
| Workmen Compensation Reserve         | Rs.60,000   |
| Advertisement Suspense Account (Dr.) | Rs.90,000   |
- Pass the necessary journal entries (3)

- Q.9. On April 1, 2018 an existing firm had assets of Rs.75000 including cash of Rs. 5,000. The partner's capital accounts showed a balance of Rs.60,000 and reserve constituted the rest. If the normal rate of return is 10% and the goodwill of the firm is valued at Rs.24,000 at 4 year's purchase of super profits ,find the average profits of the firm. (4)
- Q10. A and B are partners in a firm sharing profits and losses in the ratio of 3:2 . On 31<sup>st</sup> March, 2017, their Balance sheet was as under :

Liabilities	Rs.	Assets	Rs.
Creditors	70,000	Bank	40,000
Capitals Accounts:		Debtors	1,20,000
A 1,50,000		Stock	60,000
B 80,000	2,30,000	Furniture	50000
		Goodwill	30,000

On the above date C is admitted as a partner. A surrendered  $\frac{1}{6}$ <sup>th</sup> of his share and B  $\frac{1}{3}$ <sup>rd</sup> of his of his share in favour of C. Goodwill is valued at Rs. 1,20,000 .C brings in only  $\frac{1}{2}$  of his share of goodwill in cash and Rs.1,00,000 as his capital . Following adjustments are agreed upon :

- I) Stock is to be reduced to Rs. 56,000 and furniture by Rs.5,000.
  - II) There is an unrecorded asset worth Rs.20,000
  - III) One month's rent of Rs.15,000 is outstanding.
  - IV) A creditor for goods purchase for Rs.10,000 had been omitted to be recorded although the goods had been correctly included in stock.
  - V) Insurance premium amounting to Rs. 8,000 was debited to P & L A/C , of which Rs. 2,000 is related to the period after 31<sup>st</sup> March, 2017.
- You are required to prepare Revaluation Account, Partner's capital Accounts and the Balance sheet of the new firm. (6)

- Q11. Following is the Balance sheet of A, B and C who are sharing profits in the ratio of 2:1:2 as on 31<sup>st</sup> March,2013. (6)

Liabilities	Rs.	Assets	Rs.
Creditors	38,000	Building	2,40,000
Bills Payable	2,000	Stock	65,000
Capitals		Debtor	30,000
A-144,000		Cash at bank	5,000
B 92,000		Profit and loss A/c	60,000
C 124,000	3,60,000		
Total	4,00,000	Total	4,00,000

A died on 30<sup>th</sup> September 2013. He had withdrawn Rs.44,000 from his capital on July 1, 2013 . according to the partnership agreement , he was entitled to interest on capital @ 8% p.a. His share of profit till the date of death was to be calculated on the basis of the average profits of the last three years . Goodwill was to be calculated on the basis of three times the average profits of the last four years ended 2009-10 2010-11 and 2011-12 were Rs.30,000, Rs. 70,000 and Rs.80,000 respectively. Prepare A's Executors A/C

Q.12. Pass journal entries for the following transactions :

- i. Realization expenses amounted to Rs.5,000.
- ii. Realization expenses amounted to Rs.8,000.
- iii. Realization expenses amounted to Rs.10,000 were paid by the firm on behalf of a partner.
- iv. Mr. A a partner, is paid remuneration of Rs.20,000 for dissolution work. Realization expenses amounted to Rs.7,500 were paid by the firm.
- v. A debtor, R, for Rs.19,000 agreed to pay the dissolution expenses which were Rs. 18,000 in full settlement of his debt.
- vi. A a partner took over all investments at Rs.13,300.
- vii. An unrecorded computer realized Rs.7000.
- viii. Deferred Advertisement Expenditure A/c appeared in the books at Rs.28,000. (8)

**OR**

Following is the Balance Sheet of X and Y, who share profits and losses in the ratio 4:1, as at 31<sup>st</sup> March,2013:

LIABILITIES	RS.	ASSETS	Rs.
Sundry Creditors	8,000	Bank	20,000
Bank overdraft	6,000	Debtor 17,000-2000 of provision	15,000
X's brother's loan	8,000	Stock	15000
Y's loan	3,000	Investments	25,000
Investment Fluctuation fund	5,000	Furniture	6,000
Capital :X	50,000	Building	19000
Y	40,000	Goodwill	10,000
		Profit & Loss A/C	10,000
<b>TOTAL</b>	<b>1,20,000</b>	<b>TOTAL</b>	<b>1,20,00</b>

The firm was dissolved on the above data and the following arrangements were decided upon :

- I. X agreed to pay off his brother's Loan.
- II. Debtors of Rs 5000 proved bad.
- III. Other asset realized – Investments 20% less; and Goodwill at 60%.
- IV. One of the creditor of Rs 5000 were paid only Rs 3000.
- V. Y took over part of stock at Rs 4000 (being 20% less than the book value).
- VI. Realization expenses amounted to Rs 2000.
- VII. Building were auctioned for Rs 30,000 and the auctioneer's commission amounted to Rs 1000.

Prepare:

- I. Realization Account
- II. Partner's capital Account, and
- III. Bank Account.

(8)