CLASS : Std. XII (Accountancy)

<u>Question Bank from Syllabus of April, May and July</u>

Chapter 1, Accounting for partnership firm-fundamentals.

1. Name the method of calculating int on drawings of the partners if the different amounts are withdrawn on different dates.
2. Give two circumstances under which fixed capitals of a partner may change.
3. What is meant by partnership deed.
4. Name any two items that appear on the debit side of a partner current A/C
5. Jain and Gupta are partners in a firm sharing profit in their capital ratio. Jain contributed Rs. 150,000 While Gupta contributed Rs. 100,000. Jain gave loan Rs. 50,000 to the firm. The profit of the firm before allowing int. on loan amounted to Rs. 60,500 for the yr. ending 31st Dec, 2014. Show the distribution of profit after considering the followings:-

(i) Allow interest on capital @5% p.a. and charge interest on drawing @ 6% p.a. drawings during the year were Rs. 30,000 and 20,000.

(ii) Jain is allowed commission @2% on sale which is Rs. 250,000.

(iii) Gupta is entitled to a commission on profit @5% after charging commission of Jain and his own.

(iv) 10% of divisible profit be transferred to general reserve. Prepare P/L appropriation A/C

6. X, Y and Z were partners in a firm having capitals of Rs. 80,000, and Rs. 40,000. Their current A/C balances were X Rs. 10,000, Y Rs. 5000 and Z Rs. 2000 (Dr.) According to partnership deed, the partners were entitled to interest on capital @5% p.a. Z being the working partner was also entitled to a salary of Rs. 6000 p.a.

The profits were to be divided as follows:

(a) First 20,000 in proportion of capital (b) Next 30,000 in the ratio of 5:3:2. (c) Remaining profit to be shared equally.

The firm made a profit of Rs. 156000 before charging any of these above items. Prepare profit and loss appropriation A/C.

7. A and B are partners with capitals Rs. 150,000. And Rs. 100,000. Interest on capital is allowed @ 9% P.a. their profit for the year before allowing interest on capital is Rs. 15000. Show the distribution of profit.

8. Saras and shyam are partners sharing profits in the ratio 2:1 with capitals of Rs. 60,000 and Rs. 40,000. Int. on capital is agreed @ 6% p.a. shyam is allowed an annual salary of Rs. 3000. During, 2014, profit of the year prior to calculation of int. on capital but after charging shyam's salary amounted to Rs. 20,000. Their manager is to be allowed a commission of 10% on the profit remaining after deducting salary and int. on capital but before charging such commission prepare A/C showing allocation of profits.

9. X, Y and Z were partners in a firm sharing profits and losses in the ratio 4:3:3. Their capitals were fixed at Rs. 100,000 Rs. 200,000 Rs. 300,000. For the year 2001. Interest on capital was credited to them @ 10% instead of 9% p.a. pass journal enttas to rectify the above error.

10. A, B, and C are partners sharing profits in the ratio 1:2:2. Their capitals were Rs. 100,000, Rs. 150,000 and Rs. 200,000. For the year ending 2012. Interest on capital was credited as 8% p.a. instead of 10% p.a. the profit for the year before charging interest was Rs. 50,000.

11. Rajat and Raja were partners in a firm sharing profits in the ratio of 3:2. There fixed capital were Rajat 900,000 and Raja Rs. 600,000. The partnership deed provided the followings:-

(i) Int. on capital @ 5% p.a. (ii) Rs. 60,000 p.a. salary to Rajat and salary of Rs. 2000 p.m. to Raja. The profits for the year ended was 334,000. The profit were divided equally without providing for above.

12. On 31st March 2010 after the close of books of Accounts, the capital were of A, B and C stood it Rs. 24000. Rs. 20,000 and 12000. Respectively. The profit for the year Rs. 36000 was distributed equally. Subsequently it was discovered that int. on capital @ 5% p.a. had been omitted. The profit sharing ratio was 2:2:1 pass rectifying entry.

13. A, B and C were partners in a firm on 1st April 2014, their capitals were Rs. 80,000, Rs. 50,000 and Rs. 50,000. As per partnership deed, they were entitled to :

(i) Salary to C Rs. 4000 p.a.

(ii) Commission to B Rs. 2000

(iii) Interest on capital @ 5% p.a.

(iv) Profits be shared in their capital ratio was Rs. 24000 which was divided equally without providing to above adjustment. Pass rectifying adjustment entry.

14. Karan, Lokesh and Mihir are partners in a firm. Their capital accounts stood at Rs. 8,00,000 Rs. 600,000 and Rs. 400,000 on April 1st 2012. They shared profits and losses in the ratio of 3:2:1. Partners are entitled to int. on capital @ 6% p.a. and salary to Lokesh and Mihir @ 4000 p.m. and 6000 per quarter respectively as per provisions of partnership deed. Lokesh's share of profit including interest on capital but excluding salary is guaranteed at a minimum of Rs. 82,000 p.a. any deficiency arising on that account shall be met by Mihir. The profits for the year ended 31st March 2013 amounted to Rs. 312,000. Prepare profit and loss appropriation A/C

* Reconstitution of partnership firm:-

Change in profit sharing Ratio among the existing partner.

15. State any three reasons for valuation of goodwill in relation to partnership firm.

16. Name any two factors affecting the goodwill of a partnership firm.

17. What are super profit?

18. Enumerate two main steps involved in valuing the goodwill according to super profit method.

19. A and B are partners in a firm. They wish to admit to as a partner. Goodwill of the firm is valued at two years purchase of the average normal profit of the past 3yrs. Which were:-

2012 - Profit Rs. 51000 (Including profits on sale of furniture)

2013 – Loss Rs. 20,000 (including loss by fire Rs. 30,000)

2014 – Rs. 60,000 (including profit on investment Rs. 6000 and insurance claim received Rs. 10,000) calculate the value of the firms goodwill