DELHI PUBLIC SCHOOL, JAMMU
ASSIGNMENT FOR HALF YEARLY(2018-19)
Subject:- Accountancy
Class:- 12th

Q1. Distinguish between Income and Expenditure account and Receipts and Payment Account on the basis of nature.

Q2. Parul, a partner, is assigned the responsibility of dissolution of the firm for a remuneration of Rs. 25,000. She agrees to pay the dissolution expenses which came to Rs. 5,000. She accepted to take a computer of book value Rs. 30,000 for the amount due to her. What will the journal entry passed?

Q3. X, Y and Z were partners sharing profits and Losses in the ratio of 3:2:2. Z retired and the amount due to him was Rs.85,000. He was paid Rs. 5,000 immediately. The balance was payable in three equal instalments carrying interest @ 6% p.a. Pass necessary journal entry for recording the same on the date of Z's retirement.

Q4. List any two situations which may result the reconstitution of a partnership firm.

Q5. A partnership deed provides for the payment of interest on capital but there was a loss instead of profits during the year 2010-11. At what rate will the interest on capital be allowed.

Q6. Is debit balance of Income and Expenditure Account deficit or surplus? Why?

Q7.A,B and C were partners in a firm. On 1st April, 2012 their capitals stood as Rs. 5,00,000, Rs 2,50,000 and Rs. 2,50,000. As per provisions of the Partnership Deed;

i) C was entitled for a salary of Rs. 5,000 per month.
ii) A was entitled for a commission of Rs 80,000 p.a
iii) Partners were entitled to a interest on capital @ 6%p.a
iv) Partners will share profits in the ratio of capitals.

Net profit for the year ended 31st March, 2013 was Rs. 3,00,000 which was distributed equally, without taking into consideration the above provisions showing your workings clearly, pass necessary adjustment entry for the above (3)

Q8. X, Y and Z are partners in the ratio of 3:2:1. W joins the firm as a new partner for 1/6th share in profits. Z would retain his original share. Find the new profit sharing ratio.

Q9. State how will be the following items dealt while preparing the final accounts of a Sports Club for the year ending on 31st March, 2018:

Prize awarded: Rs. 1,70,000
Prize fund as at 31st March, 2017: Rs. 1,20,000
Donations for prizes received during the year 2017-18: 28,000
10% prize fund investments as at 31st March, 2017: Rs 1,20,000
Interest on Prize fund investments: Rs. 12,000.

Q10. Three C.As A, B and C form a partnership, profits being shared in the ratio of 3:2:1 subject to the following:

a) C’s share of profit guaranteed to be not less than Rs. 15,000 p.a.
b) B gives a gurantee to the effect that gross fee earned by him for the firm shall be equal to his average gross fee of the preceeding five years when he was carrying on profession alone, which on an average works out at Rs. 25,000.
c) The profit for the first year of the partnership are Rs 75,000. The gross fee earned by B for the firm is Rs 16,000. You are required to show Profit and Loss Appropriation Account after giving effect to the above.

Q11. X and Y are partners sharing profits in the ratio of 2:1. On 31st March, 2018. Their balance sheet showed General Reserve of Rs. 60,000. It was decided that in future they will share profits and losses in the ratio of 3:2. Pass necessary journal entry in each of the following alternative cases:

i) If General Reserve is not to be shown in the new balance sheet
ii) If General Reserve is to be shown in the new balance sheet.

Q12. Bhvan and Shivam are partners in a firm sharing profits in the ratio of 3:2. Their capitals were Rs 50,000 and 75000 resp. They admit Atul as a new partner on 1st April,2018 for 1/4th share in the future profits. Atul brought Rs. 75,000 as his capital. Calculate the value of goodwill of the firm and record the necessary journal entries for the above transactions on Atul’s admission.

Q13. The balance sheet of Joy Julie and Saraha who were sharing profits in the ratio of 4:3:3 as on 31st March, 2013 was as follows:

Liabilities		Amt(Rs)	Assets	Amt(Rs)
General Reserve		15,000	Cash	48,000
Bills Payable		30,000	Stock	1,32,000
Loan		36,000	Investment	1,41,000
Capital A/Cs			Land and Building	1,80,000
Joy	1,80,000		Joy’s loan	30,000
Julie	1,50,000			
Saraha	1,20,000	4,50,000		
		5,31,000		5,31,000

Joy died on 31st May, 2013. The partnership deed provided for the following:

i) Goodwill of the firm was valued at two year’s purchase of average profits for the last three years which were Rs 1,20,000.
ii) Joy’s share of profit till the date of his death was to be calculated on the basis of last year’s profit. Sales for the year ended 31st March, 2013 amounted to Rs. 12,00,000 and from 1st April to 31st May, 2013 Rs 4,50,000. Profit for the year ended 31st March 3013 was Rs. 3,00,000.
iii) Interest on capital was to be provided @6%p.a.

Prepare Joy’s Capital Account to be rendered to executor.

Q14. P, Q, and R were in partnership sharing profits in the ratio of 2:3:1. Q retires from the firm. After all the necessary adjustments, his capital account shows a net credit balance of Rs. 2,20,000 as on 1st April 2016. Q is to be paid Rs 60,000 by cheque immediately and balance in four equal semi-annual installments together with interest @ 10%p.a. on the unpaid amount. Prepare Q’s Loan a/c until he is paid the entire amount due to him. The firm closes its books on 31st March every year.

Q15. Following is the Receipts and Payment Account of Literary Club for the year ended 31st March, 2018:

Receipts	Amt(Rs)	Payments	Amt(Rs)
To Bal b/d	19,550	By Salary	3,000
To Subscriptions:		By Newspaper	2,050
2016-17 1,200		By Electricity Bill	1,000
2017-18 26,500		By Fixed Deposit(on 1st	
2018-19 500	28,200	July,2017@9%p.a)	20,000
To Sale of old newspapers	1,250	By Books	10,600
To Govt. Grants	10,000	By Rent	6,800
To sale of old furniture	5,700	By Furniture	10,500
(book value Rs. 7,000)		By Bal c/d	11,200
To interest on Fixed Deposits	450		
	65,150		65,150

Additional information:

i) Subscriptions o/s on 31st March, 2017 were Rs. 2,000 and on 31st March, 2018 Rs. 2,500.
ii) On 31st March 2018 salary o/s was Rs. 600 and rent o/s was Rs. 1,200.
iii) The club owned Furniture Rs. 15,000 and Books Rs. 7,000 on 1st April, 2017.

Prepare the income and Expenditure Account and Balance Sheet of the club for the year ended 31st March, 2018 and ascertain Capital Fund on 31st March, 2017.

Q16. Verma and Sharma were partners sharing profits in the ratio of 3:1. On 31-03-2011 their balance sheet was as follows

Balance Sheet of Verma and Sharma as on 31-03-2011

Liabilities	**Amount**	**Assets**	**Amount**
Capitals		Land & Building	70,000
Verma 1,20,000		Machinery	60,000
Sharma 80,000	2,00,000	Debtors	80,000
Creditors	70,000	Bank	60,000
	2,70,000		2,70,000

The firm was dissolved on 1-4-2011 and the assets and liabilities were settled as follows –

a) Creditors of Rs. 50,000 took over land and building in full settlement of their claim.
ii) Remaining creditors were paid in cash.
iii) Machinery was sold at a depreciation of 30%.
iv) Debtors were collected at a cost of Rs. 500.
v) Expenses of realisation were 1,700 Pass necessary journal entries for dissolution of the firm.

Q17. Ram and Gopal were partners in a firm sharing profits in the ratio of 3:2. On 1-1-2007 their fixed capitals were Rs. 1,00,000 and Rs. 1,50,000 resp. On 31-03-2007 they decided that their total capital (fixed) should be Rs. 3,00,000. It was further decided that the capital (fixed) should be in their profit sharing ratio. According they introduced or withdraw the necessary capital. The partnership deed provides the following –

i) Int. on capital @ 12% p.a.

ii) Int on drawings @ 18% p.a

iii) Monthly Salary to Ram @ Rs. 2000 p.m and to Gopal @ Rs. 3,000 per month.

The drawings of Ram and Gopal during the year were as follows-

Date	Ram	Gopal
1 July, 2007	10,000	12,000
Sep. 30, 2007	15000	12,000

The profit earned by the firm for the year ended 31-12-2007 was Rs. 2,00,000. 10% of this profit is to be kept as reserve.

You are required to prepare profit and loss appropriation account.

Q18. X and Y entered into partnership on 1St April, 2016 and contributed Rs 2,00,000 and 1,50,000 respectively as their capitals. On 1st October,2016, X provided Rs. 50,000 as loan to the firm. As per the provisions of the partnership deed :

i) 20% of profits before charging interest on drawings but after making appropriations to be transferred to general reserve.

ii) Interest on capital @ 12% p.a. and interest on drawings 10%p.a.

iii) X to get monthly salary of Rs. 5,000 and Y to get salary of Rs. 22,500 per quarter.

iv) X is entitled to a commission of 5% on sales. Sales for the year were Rs 3,50,000.

v) Profit and loss to be shared in the ratio of capital contribution upto Rs. 1,75,000 above it equally.

The profit for the year ended 31st March 2017, before providing for any interest was Rs 4,61,000. The drawings of X and Y were Rs 1,00,000 and Rs 1,25,000 respectively. Pass the necessary journal entries relating to appropriation out of profits. Prepare profit and loss appropriation account and partners capital accounts.

Q19. A and B are partners in a firm sharing profits and losses in the ratio of 3: 2. On 31st March, 2012, their Balance Sheet was as under:

Liabilities		₹	*Assets*	₹
Creditors		90,000	Bank	60,000
Capital A/cs :			Debtors	1,20,000
A	1,50,000		Stock	60,000
B	80,000	2,30,000	Furniture	50,000
			Goodwill	30,000
		3,20,000		3,20,000

On the above date C is admitted as a partner. A surrendered 1/6th of his share and B 1/3rd of his share in favour of C. Goodwill is valued at Rs.1,20,000. C brings in only 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.50,000.

(iii) One month's rent of Rs. 15,000 is outstanding.

(iv) A creditor for goods purchased for Rs.40,000 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 31st March, 2012.

You are required to prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the new firm. Also calculate the new profit sharing ratio.

Q20. A, B and C are partners in a firm sharing profits in proportion of $\frac{1}{2}, \frac{1}{6}$ and $\frac{1}{3}$ respectively. The Balance Sheet as at April 1, 2010 was a follows:

Liabilities		*Amount*	*Assets*		*Amount*
		₹			₹
Trade Payables		40,000	Freehold premises		40,000
Reserve			Machinery		30,000
Capital Accounts :		12,000	Furniture		12,000
A	30,000		Stock		22,000
B	30,000		Sundry Debtors	20,000	
C	28,000	88,000	*Less* : Provision for		
			bad debts	1,000	19,000
			Cash		17,000
		1,40,000			1,40,000

C retires from the business and the partners agree to the following revaluation:

(a) Freehold premises and stock are to be appreciated by 20% and 15% respectively.

(b) Machinery and furniture are to be depreciated by 10% and 7% respectively.

(c) Bad debts provision is to be increased to Rs. 1,500.

(d) Goodwill is valued at Rs.21,000 on C's retirement.

(e) The continuing partners have decided to adjust their capitals in their new profit sharing ratio after retirement of C. Surplus / deficit, if any, in their capital accounts will be adjusted through current accounts.

Prepare necessary ledger accounts and draw the Balance Sheet of reconstituted firm.