

Delhi Public School, Jammu

Date: 14th August, 2021

Assignment -2

Class : XII

Subject: Accountancy

Topic: Accounting for Partnership Firms – Valuation of Goodwill; Change in Profit Sharing Ratio

Based Upon the understanding of E-lectures cum PPTs, video links and other sources shared with you, answer the following questions.

1. Weighted average method of calculating goodwill is used when:
 - a) Profits are not equal
 - b) Profits show a trend
 - c) Profits are fluctuating
 - d) None of the above
2. Tangible assets of the firm are Rs.14,00,000 and outside liabilities are Rs.4,00,000. Profit of the firm is Rs.1,50,000 and normal rate of return is 10%. The amount of Capital employed will be:
 - a) Rs.10,00,000
 - b) Rs.1,00,000
 - c) Rs.50,000
 - d) Rs.20,000
3. P, Q and R were partners in a firm sharing profits in 5:3:2. They decided to share the future profits in 2:3:5. For this purpose the goodwill of the firm was valued at Rs.1,20,000. In adjustment entry for the treatment of goodwill due to change in profit sharing ratio:
 - a) Cr. P by Rs.24,000; Dr. R by Rs.24,000
 - b) Cr. P by Rs.60,000; Dr. R by Rs.60,000
 - c) Cr. P by Rs.36,000; Dr. R by Rs.36,000
 - d) Dr. P by Rs.36,000; Cr. R by Rs.36,000
4. Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of a new agreement is called
 - a) Revaluation of Partnership
 - b) Reconstitution of Partnership
 - c) Realization of Partnership
 - d) None of the above
5. Which of the following is the True in relation to Goodwill?
 - a) Goodwill is a fictitious asset
 - b) Goodwill is a current asset
 - c) Goodwill is a wasting asset
 - d) Goodwill is an intangible asset
6. The excess amount which the firm can get on selling its assets over and above the saleable value of its assets is called :
 - a) Surplus
 - b) Super Profits
 - c) Reserve
 - d) Goodwill
7. X, Y and Z were partners sharing profits in the ratio 2:3:4 with effect from 1st January, 2019 they agreed to share profits in the ratio 3:4:5. Each partner's gain or sacrifice due to change in the ratio will be:
 - a) X Gain $\frac{1}{36}$; Y Nil; Z Sacrifice $\frac{1}{36}$
 - b) X Sacrifice $\frac{1}{36}$; Y Nil; Z Gain $\frac{1}{36}$
 - c) X Gain $\frac{1}{36}$; Y Sacrifice $\frac{1}{36}$; Z Nil
 - d) X Sacrifice $\frac{1}{36}$; Y Gain $\frac{1}{36}$; Z Sacrifice Nil

8. Match the following items:

(i)	General Reserve will be distributed in	(a)	Sacrificing/ Gaining Ratio
(ii)	Advertisement Suspense will be debited to Partners' Capital A/cs in	(b)	Old Ratio
(iii)	Goodwill valued will be adjusted in	(c)	New ratio

9. Goodwill = Super Profit X 100/

10. The Goodwill of firm Rs.3,60,000 valued at three years' purchase of Super Profit. If capital employed is Rs.4,00,000 and Normal rate of return is 10% p.a., the amount of average profit will be.....

YouTube Links:

<https://www.youtube.com/watch?v=vTkCbxbnkmM>

<https://www.youtube.com/watch?v=-cm4K535B8I>

Note:

1. Due Date of Submission : 31st August, 2021

2. Send your answers here:

i) XII E Ms. Neeraj Kaila neerajkaila@vahoo.in

ii) XII F Ms. Puja Gupta pujag2312@gmail.com

3. Students must mention their name, class, section and date in their assignments.

4. Your assignment will be marked for Internal/ Term assessments.

Therefore, it is necessary for you to submit it on time.