

CLASS –XII
ASSIGNMENT- 1

SUBJECT – ACCOUNTANCY
TOPIC – ACCOUNTING FOR PARTNERSHIP FIRMS

Chapter: Define partnership.

1. What is partnership deed?
2. Explain the features of partnership.
3. Explain the nature of partnership.
4. List any five contents of partnership deed.
5. What are the provisions to be followed in case the partnership deed is silent?
6. Differentiate between fixed capital A/c and fluctuating capital A/c.
7. How would you treat interest on capital in the following cases?
 - (i) When the question is silent regarding charge/appropriation.
 - (ii) When it is treated as a charge against profit.
 - (iii) When it is treated as an appropriation of profits.
9. Calculate the duration for which interest on drawings will be calculated when uniform amount is withdrawn at a uniform interval of time.
 - (i) fixed amount withdrawn on first day of every month during period of 12 months.
 - (ii) amount withdrawn in the middle of each month during period of 12 months.
 - (iii) amount withdrawn on the last day of each month during period of 12 months.
 - (iv) amount withdrawn in the beginning of each quarter.
 - (v) amount withdrawn in the middle of each quarter.
 - (vi) amount withdrawn at the end of each quarter.
 - (vii) amount withdrawn in the beginning of each half year.
 - (viii) amount withdrawn at the end of each half year.
10. Distinguish between drawings against profits and drawings against capital.
11. X & Y started business on 1-4-2001 with capitals of Rs. 2, 50,000 and Rs. 1, 50,000 respectively. On 1st Oct 2001, they decided that their capitals should be Rs. 2, 00,000 each. The necessary adjustments in the capitals were made by introducing or withdrawing cash. Interest on capital is allowed at 8% p.a. calculate interest on capital on March 31, 2002. [Ans X: 18,000; Y: 14,000]
12. Why is profit & loss appropriation A/c prepared by a partnership firm?
13. List any two circumstances under which the fixed capital of partners may change.
14. Distinguish between partners capital A/c & current A/c.
15. Ravi & Mohan were partners in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi: Rs. 10, 00,000 & Mohan: Rs. 7, 00,000. The partnership deed provided for following:
 - (i) Interest on capital @ 12% p.a.
 - (ii) Ravi's salary Rs 6000 per month & Mohan's salary Rs. 60,000 per year.The profit for the year ended 31-3-2007 was Rs. 5, 04,000 which was distributed equally without providing for the above. Pass an adjustment entry. [Ans: Mohan's current A/c 38,000 To Ravi's current A/c 38,000]
16. A, B & C have been sharing profits in the ratio of 2:2:1 resp. C wants to share profits equally along with A & B & wants that the change should be with retrospective effect for the last three years. Other partners have no objection to this. The profits for the last three years were Rs. 60,000; Rs. 47,000 and Rs. 55,000. Record the adjustment by means of a journal entry.

17. X, Y and Z are partners sharing in the ration of 5:3:2. Their fixed capitals are Rs. 2, 00,000; Rs. 1, 50,000 & Rs. 1, 25,000 resp. For the year 1993, interest on capital was credited @ 8% instead of 10%. Give adjusting journal entry. [Ans. X Dr 750; To Y 150; To Z 600]

18. A & B are partners sharing P & L in ration of 3:1. following is the B/S as on 31-12-96

A's capital	90,000	Drawings	
B's capital	30,000	A	12,000
		B	6,000
			18,000
		Sunday Assets	<u>1, 02,000</u>
	<u>1, 20,000</u>		1, 20,000

Profit for the year 1996 Rs 24,000 was divided between the partners in their profit sharing ration but int on capital @ 5% p.a. and drawings @ 6% p.a. was ignored. Give the necessary adjusting entry.

[Ans B's cap 45; To A's 45]

19. Calculate interest on capital at 10% p.a. for year ending 31.12.1995.

	B/s – 31-12-95	
P's capital	80,000	Sunday assets
Q's capital	64,000	Drawings
P&L appropriation A/c		
■ 1995	<u>32,000</u>	<u>1, 68,000</u>
	1, 76,000	1, 76,000

During the year 1995, P's drawings were Rs. 8000 & Q's drawings Rs 24,000. Profit during the year was Rs 48,000. [Ans P-7200; Q-8000]

20. Calculate interest on capital at 5% p.a. for 31-12-96.

	B/s – 31-12-96	
A's capital	1, 00,000	fixed assets
B's capital	80,000	current assets
P&L appropriation A/c		
■ 1996	<u>40,000</u>	Drawings-B
	2, 20,000	<u>20,000</u>
		2, 20,000

Profit during the year 1996 was Rs. 70,000. A&B share profits in the ration 2:1. drawings during the year 1996 were A-Rs. 16,000; and B-Rs. 20,000

[Ans. A-4800;B-3500]

