**BAL BHARATI PUBLIC SCHOOL**

**GRHM**

**ASSIGNMENT NO 5**

**SUBJECT -ACCOUNTANCY; CLASS –XII**

**RETIREMENT AND DEATH OF A PARTNER**

Q 1 Define Gaining Ratio.

Q 2 Why is revaluation account prepared at the time of retirement of a partner?

Q 3 Calculate gaining ratio in the following cases:

(i) A, B & C are partners sharing profits & Losses in the ratio of 5:4:3. C retires from the firm.

(ii) X, Y & Z are partners sharing profits & losses in the ratio of 1/2, 3/10, & 1/5. Y decides to retire from the firm and X & Z decide to share future P&L in the ratio of 3:2.

Q 4 P, Q & R are partners sharing P&L in the ratio of 4:3:1. Q retires selling his share of profits to P & R for Rs 8100, Rs 3600 paid by P & Rs 4500 by R. The profits for the year after Q's retirement were Rs 10500. Calculate the new profit sharing ratio & pass the necessary journal entries.

Q 5 Distinguish between gaining ratio & sacrificing ratio.

Q 6 A, B & C were partners in a firm sharing P&L in the ratio of 3:2:1. C retired and the new profit sharing ratio between A & B was 1:2. On C's retirement goodwill was valued at Rs 30000. Pass the necessary journal entries without opening the goodwill account.

Q 7 When is "Memorandum Revaluation Account" prepared?

Q 8 A, B & C are partners sharing P & L in the ratio of 1/2, 1/3 &1/6 respectively. B retires from the firm. A & C share future P & L equally. Their capitals after all necessary adjustment were A Rs 22400; B Rs 20200 & C Rs 11400. The cash balance as on that date was Rs 4000. Calculate the amount of cash to be brought in or to be withdrawn by the remaining partners in the following cases:

(i) The entire capital of the firm as newly constituted is fixed at Rs 40000.

(ii) The entire capital of the new firm will be readjusted so that the future capitals are in new profit sharing ratio.

(iii) B is to be paid through cash brought in by A & C in such a way as to make their capitals proportionate to their new profit sharing ratio.

(iv) B is to be paid through cash brought in by A & C in such a way as to make their capitals proportionate to their new profit sharing ratio. Minimum cash balance of Rs 3000 is to be maintained.

(v) Sufficient cash is to be brought in by A & C in such a way as to make their capitals proportionate to their new profit sharing ratio.

Q 9 What all items is the representative of the deceased partner entitled to?

Q 10 List the items that are debited to the deceased partners capital account.

Q 11 What are the two methods of calculation of profits of the deceased partner? Explain with the help of examples.

Q 12 What is the difference between retirement of a partner & death of a partner?

Q 13 Why is outgoing partner entitled to a share of goodwill of the firm?

Q 14 Where is the payment recorded for the executors share of profit on the death of a partner when (i) remaining partners continue to share in old ratio (ii) the new profit sharing ratio is given .

Q 15 A ,B &C are partners in a firm sharing P & L in the ratio of 3:2:1. B died on 31/3/02. The profits from 1/1/02 to 31/3/02 amounted to Rs 45000. Give the necessary Journal entries in the following cases:

(i) A & C agree to share future P&L in the ratio of 3:2

(ii) A & C continue to share P &L in the same ratio.

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**ASSIGNMENT NO 6**

**SUBJECT -ACCOUNTANCY; CLASS -XII**

## DISSOLUTION OF A PARTNERSHIP FIRM

Q 1 Distinguish between Realisation account & Revaluation account.

Q 2 Why is the balance of cash or bank not transferred to realisation account?

Q 3 Pass the necessary journal entries in the following cases:

(i) An unrecorded asset taken over by a partner
(ii) An unrecorded asset given to our creditor
(iii) Payment to creditors worth Rs 3000 if they accept stock of the same value
(iv) partner A takes over the liability of Mrs A's loan of Rs 10000.

Q 4 Mention two internal liabilities whose payment does not require cash payment at the time of dissolution of the firm.

Q 5 Explain the provisions of sec 48 of partnership act.

Q 6 Distinguish between firms debts & private debts.

Q 7 Give the circumstances under which partnership firm can be dissolved.

Q 8 Are provisions against assets to be paid? Give reason.

Q 9 How do we deal with the following at the time of dissolution of the firm:

(i) Undistributed profits / losses
(ii) Fictitious assets
(iii) Partners loan account
(iv) If the question is silent regarding realisation of intangible asset
(v) If the question is silent regarding realisation of tangible asset
(vi) If the question is silent regarding payment of liability.

Q 10 Pass the journal entries in the following cases:

(i) Expenses of realisation Rs 7000 were to be borne by Ram, a partner. Ram used firms cash for paying these expenses.
(ii) Expenses of realisation Rs 8000 were to be borne by Ritu, a partner.
(iii) Realisation expenses paid by the firm amounted to Rs 3000. B had to bear these expenses.
(iv) An asset which had already been written off fetched Rs 8000.
(v) The firm had a JLP of Rs 50000 on which the premium paid was regarded as a business expense. The surrender value of the policy was Rs 15000. The Insurance co. Also paid a special bonus of Rs 6000.
(vi) Hari was to be given a commission of 3% on the net cash realised on dissolution & he was to meet all realisation expenses.The cash realised from sale of assets was Rs 76000& cash paid for liabilities amounted to Rs 16000. Actual expenses were Rs 7400.
(vii) L , a creditor to whom Rs 16000 were due to be paid took over machinery at Rs 20000. Balance was paid by him in cash.
(viii) Expenses of realisation were Rs 2000.
(ix) An unrecorded liability 0f Rs 5500 settled at a discount of 20%.
(x) Realisation expenses Rs 2000 were paid by Kishore.

(xi) Dissolution expenses were 9000. Out of the said expense Rs 4000 were to be borne by the firm and the balance by a partner.

(xii) Dissolution expenses were 9000. Out of the said expense Rs 4000 were to be borne by the firm and the balance by a partner. The expenses were paid by a partner.

(xiii) X agrees to do dissolution work for an agreed remuneration of Rs 5000 & the firm bears all realisation expenses which amounted to Rs 8000.

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