DAV BORL PUBLIC SCHOOL,BINA

HALF YEARLY EXAMINATION

REVISION WORKSHEET - 1 SESSION (2013- 2014)

CLASS : XII

SUBJECT : ACCOUNTANCY

Q1	State two main rights a newly admitted partner acquires in a firm.	1
Q2.	How does the market situation affect the value of goodwill of a firm?	1
Q3.	Distinguish between fixed and fluctuating capital account.	1
Q4.	Give the average period in months for charging interest on drawings for the same amount withdrawn at the beginning of each quarter.	1
Q5.	State the meaning of sacrificing ratio.	1
Q6.	State the difference between dissolution of partnership and dissolution of partnership firm.	1
Q7.	What is meant by preferential allotment of shares?	1
Q8.	State any two restrictions regarding issue of shares at discount.	1
Q9.	a. Goodluck Ltd. Purchased furniture costing Rs.1,35,000 from Fair Deal Ltd. The payment was made by issue of 9%Preference Shares of Rs.100 each at a discount of Rs.10 per share. Pass necessary journal entries in the books of Goodluck Ltd. b. The company also issued 5000 shares to the promoters as the remuneration of the services rendered by them at par.	3+1
Q10.	Gupta trading company forfeited 1,100 shares of Rs.10, Rs.6 called up, issued at a discount of 10% to Mahesh on which he paid Rs.4 per share. Out of these 660 shares were reissued to Somesh at Rs.6 per share, Rs.8 paid up.	3
Q11.	A and B are partners in a firm sharing profit and losses in the ratio of 3:2. Their capital at the end of the year was Rs.64,000 and Rs.32000 respectively. They earned a profit of Rs.8000 and it was distributed ignoring the interest on capital. During the year, they made an additional payment in their capital accounts of Rs.3200 and Rs.1600 respectively. Their drawings during the year were Rs.8000 and Rs.4800 respectively. If interest on capital is allowed at 10% calculate the interest on capital payable to each partner.	4
Q12.	A partnership firm earned net profit during the last three years as follows: 2008-09 Rs.1,90,000 2009-10 Rs.2,20,000 2010-11 Rs.2,50,000 The capital employed in the firm throughout the above mention period has been Rs.4,00,000. Having regard to the risk involved 15% is considered as fair return on the capital. The remuneration of all the partners during	3

this period is estimated to be Rs.1,00,000 per annum. Calculate the value of goodwill on the basis of two years purchase of Super Profit earned on average basis during the above mentioned three years.

Q13. Why do firms revaluate its assets and reassess their liabilities at the time of admission of a partner? 3

Q14. State the legal rights of dead partner's executor or legal heir. 3

Q15. Pinky and Priya were partners in a firm sharing profits in the ratio of 3:2. They decided to admit Priti into the firm for 3/7th profit, which he takes 2/7th from Pinky and 1/7th from Priya . Priti bringsRs.56000 as capital and Rs.7,500 as premium, out of his share of Rs.13,500. Give journal entries to give effect to above arrangement, showing your workings clearly. 4

Q16. X, Y and Z are partners in a firm sharing profits in the ratio of 3:2:1. They decided to share profits equally w.e.f. April 1, 2013. On that date, the profit and loss account showed the credit balance of Rs.24,000. Instead of closing the profit and loss account, it was decided to record an adjustment entry reflecting the change in profit sharing ratio. You are therefore, required to record the necessary journal entry to give effect to the same 4

Q17. Ram and Shyam were partners in a firm. After crediting the profits of the year Rs.2,00,000 in their capital account, the balances of their capitals were Ram Rs.4,00,000 and Shyam Rs.3,00,000. During the year Ram withdrew Rs.80,000 and Shyam Rs.1,00,000. It was found that interest on capital and drawings @ 10% p.a. as provided by the partnership deed has not been allowed and charged to partners capital account. Pass the necessary adjustment entry. 4

Q18 K and P were partners in a firm sharing profits in the ratio of 4:3. Their capitals on 1.4.2012 were K Rs.80,000 and P Rs.60,000. The partnership deed provided as follows 6

(i) Interest on capital and drawings will be allowed and charged @ 12% p.a. and 10% p.a. respectively.

(ii) K and P will be entitled to get monthly salary of Rs.2000 and Rs.3000 respectively.

(iii) The profit for the year ended 31.3.2013 were Rs.1,00,300. The drawings of K and P were Rs.40,000 and Rs.50,000 respectively.

Prepare Profit and Loss Appropriation Account and Capital Accounts of K and P for the year ended 31.3.13 assuming that the capitals of the partners were fluctuating.

Q19 Assam Tea Ltd. Issued 2,00,000 shares of Rs. 10 each payable as follows: 6

Rs.2.50 on Application (on 1st April,2012)
Rs.2.50 on Allotment (on 1st July, 2012)
Rs.3.00 on First Call (on 1st Sep,2012)
Rs.2.00 on Second and Final Call (on 1st Dec, 2012)

All the shares were subscribed and all the sums were duly received. Shareholder, Arun who had 1,000 shares paid the amount of first and second calls with the amount due on allotment .Interest on advance is paid to Mr. Arun on 1st Oct, 2012. Pass necessary entries in the books of the Company.

Q20. Pass necessary journal entries for the following transactions on the dissolution of the firm of James and Haider who were sharing profits and losses in the ratio of 2:1. The various assets other than cash and outside liabilities were transferred to Realisation account. 6

(i) James agreed to pay his brother's loan Rs.10,000
(ii) Haider took over all the investments at Rs.12,000
(iii) Sundry creditors were paid at 5% discount.
(iv) Realisation expenses amounted to Rs.2,000.
(v) Profit and loss account showed a debit balance of Rs.7,500.
(vi) Loss on realization was Rs.10,200

Q21. Anup and Dilip were partners in a firm sharing profits and losses in the ratio of 3:2. They insured their lives jointly for Rs.3,37,500 at an annual premium of Rs.10800 to be debited to the business. Dilip died three months after the date of last balance sheet. According to the partnership agreement the legal representative of Dilip was entitled to the following payments: 6

(i) His capital as per the last Balance Sheet.
(ii) Interest on the capital @ 3% p.a. to date of death.
(iii) His share of profit to the date of death calculated on the basis of last year's profit.

His drawings are to bear interest at an average rate of 2% on the amount irrespective of the period.

The net profit for the last three years after charging insurance premium were Rs.90,000; Rs.1,12,500 and Rs.1,35,000 respectively. Dilip's capital as per last Balance Sheet was Rs.1,80,000 and his drawings to the date of death were Rs.22500.

Draw Dilip's account to be rendered to his representative.

Q22. Global tourism Ltd. Invited application for issuing 10,000 equity shares of 100 Rs. Each at a discount 6%. The amount the payable as follows:- 8

On application Rs 20 per share.
On allotment Rs 44 per share.
On first and final call – balance.

Application for 13,000 shares was received. Application for 500 shares was rejected and pro- rata allotment was made to the remaining applicants. Over payment received with application wereadjustedtowards sum due on allotment. All call were made and were duly received except shivansh who had applied for 250 shares. Failed to pay call money. prepare balance sheet .

OR

Sheila cosmetics Ltd. Invited applications for 1, 00,000 equity shares of Rs 10 each at a premium of Rs 4 per share. the amount was payables as follows:-

On application: - 6 (including premium 2)

On allotment Rs. 6 (including premium 2)
Balance on first and final call.
Application for 1, 50,000 shares were received. Allotment was made to all the applicants on prorata basis. Alka , to whom 200 shares were allotted were failed to pay allotment and call money . suman to whom 400 shares were allotted failed to pay call money. Their shares were forfeited. 500 of these shares were reissued which include all the shares of Alka toBarkha for Rs.7,fully paid. Pass the necessary journal entries.

Q23. P and Q are in partnership sharing profits and loss in the ratio of 3:2 . their balance sheet as on 31st march , 2013, was as under:- 8

Liabilities	Amount	Assets	Amount
Creditors	1,50,000	Cash	50,000
General reserve	1,20,000	Debtors 2,00,000	
Capital account :		Less: provision 8,000	1,92,000
P	6,00,000	Patents	1,48,000
Q	3,00,000	Investment	80,000
Current account		Fixed assets	7,20,000
P	1,00000	goodwill	1,00,000
Q	20,000		

They admit R on the following terms:

a) A provision of 5% is to be created on debtors.

b) Accrued income of Rs. 15,000 does not appear in the books and RS. 50,000 are outstanding for salaries.

c) Present market value of investment is Rs. 60,000 . p takes over the investment at this value.

d) New profit sharing ratio of partners will be 4:3:2. R will bring in Rs. 2,00,000 as his capital.

e) R is pay in cash an amount equal to his share in firm's goodwill valued at twice the average profits of the last 3 years which were Rs. 3,00,000 ; Rs. 2,60,000 and Rs. 2,50,000 respectively.

f) Half the amount of goodwill is withdrawn by old partners.

You are required to pass journal entries , prepare Revaluation account , capital account and balance sheet of the new firm.

Q24. A, Band C were partners sharing profits in the ratio of 3:1:1. Their

Balance-Sheet as on March 31st 2009, the date on which they dissolve their firm, was as follows:

Liabilities	Amount	Assets	Amount
	Rs.		**Rs.**
Capitals:		Sundry Assets	17,000
A - 27,500		Stock	7,800
B - 10,000		Debtors 24,200	
C - 7,000	44,500	Less Provision for	
		doubtful debts 1,200	23,000
Loan	1,500	Bills Receivables	1,000
Creditors	6,000	Cash	3,200
	52,000		**52,000**

It was agreed that:
(a) A to take over Bills Receivables at Rs. 800, debtors amounting to Rs. 20,000 at 17,200 and the creditors of Rs. 6,000 were to be paid by him at this figure.
(b) B is to take over all stock for Rs. 7,000 and some sundry assets at Rs. 7,200 (being 10% less than the book value)
(c) C to take over remaining sundry assets at 90% of the book value and assume the responsibility of discharge of loan together with accrued interest of Rs. 300.
(d) The expenses of realization were Rs. 270.
The remaining debtors were sold to a debt collecting agency at 50% of the Book value. Prepare Realisation A/c, Partners Capital A/c and Cash A/c.

Q25 Following is the Balance Sheet of A, B, C as on 1.1.1997 : 6

BALANCE SHEET

Liabilities	Amount	Assets	Amount
	(Rs.)		(Rs.)
Creditors	2,000	Goodwill	4,000
Reserve Fund	3,200	Plant and Machinery	6,000
Capitals : A	10,000	Stock	3,500
B	5,000	Debtors	8,000
C	5,000	Cash at Bank	5,000
		Cash in Hand	200
	25,200		25,200

C died on 31.3.1997. The Executors of deceased partners are entitled to :
(i) Amount standing to credit of Partner's Capital Accounts.
(ii) Interest on Capital balance @ 15% p.a.

(iii) Share of goodwill on the basis of twice the average profit of last 3 years.
(iv) Share of profit from the closure of the last financial year to the date of death on the basis of last 3 years profits before the death. Profit for the year were Rs. 6,000; Rs.7,000; Rs. 8,000 respectively. Profits were shared in the ratio of capitals.

Draw up C's account assuming his drawings amounted to Rs. 3,000 during 1997.

Q26 The Balance Sheet of A, B, C who shared profit in the ratio of their capitals were as follows : 8

BALANCE SHEET

Liabilities	Amount	Assets	Amount
	(Rs.)		(Rs.)
Creditors	21,000	Buildings	1,00,000
General Reserve	20,000	Machinery	50,000
Capitals : A	80,000	Stock	18,000
B	40,000	Debtors 20,000	
C	40,000	Less : Provisions 1,000	19,000
		Cash at Bank	14,000
	2,01,000		2,01,000

On that date B decided to retire from the firm and was paid for his share in the firm subject to the following conditions :
(i) Buildings to be appreciated by 20%.
(ii) Provision for Bad Debts increased to 15% on Debtors.
(iii) Machinery to be depreciated by 20%.
(iv) Goodwill of the firm is to be valued at Rs. 72,000 and the retiring partner's share is adjusted through the capital account of retiring partners.
(v) Capital of the new firm is Rs. 1,20,000.
Prepare the necessary accounts and Balance Sheet after B's retirement