

Model Question Paper
Partnership accounts - Admission - Part I
 12th Standard
Accountancy

Reg.No. :

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I. Answer all the questions.
 II. Use blue pen only.

Time : 02:00:00 Hrs

Total Marks : 100

Part-A

5 x 1 = 5

- 1) In the event of admission of a new partner, technically there is _____ of old partnership.
- 2) At the time of admission of a new partner, _____ profit ratio should be found out.
- 3) At the time of admission of a new partner, _____ of assets and liabilities should be taken up.
- 4) When the value of an asset increases, it results in _____.
- 5) When an unrecorded liabilities is brought into books, it results in _____.

Part-B

5 x 5 = 25

- 6) What is meant by admission of a partner?
- 7) Who is an incoming partner ?
- 8) What are the adjustments to be made in connection with admission ?
- 9) What is a new profit ratio on admission of a partner ?
- 10) What is Sacrifice Ratio ?

Part-C

4 x 12 = 48

- 11) What are the entries for Revaluation of Assets and Liabilities of a firm in the event of admission of a partner ?
- 12) What is Revaluation method of Goodwill ?
- 13) Muthu and Siva were partners in a firm sharing profits in the ratio of 7 : 3. Bala was admitted to 1/5th shares in the profits. What would be their New Profit Ratio and their sacrificing ratio in each of the following cases : (a) If Bala acquires his share equally, from the old partners. (b) If he acquires his profit- share in the original ratio of the old partners. (c) If he acquires it as 3/20th from Muthu and 1/20th from Siva. (d) If he acquires his share entirely from Muthu.
- 14) Sridevi and Cynthia were partners sharing profit and loss in the ratio of 3 : 2. They decided to admit Fathima into the partnership and revalue their assets and liabilities as indicated here under : (a) To bring into record investment of Rs. 18,000 which had not so far been recorded in the books of the firm. (b) To depreciate stock, furniture and machinery by Rs. 18,000, Rs. 6,000 and Rs. 30,000 respectively. (c) To provide for workmen's compensation of Rs. 24,000. Pass the necessary journal entries and show the revaluation account.

Part-D

1 x 20 = 20

- 15) Valluvan and Kamban were partners sharing profits and losses as 60% to Valluvan and 40% to Kamban. Their Balance sheets as at 1st January, 2005 stood as under:

Liabilities	Rs.	Assests	Rs.
Sundry Creditors	96,000	Cash in Hand	4,000
Bills payable	34,000	Sundry debtors	56,000
Capital Accounts :		Stock	40,000
Valluvan : 90,000		Plant & Machinery	80,000
Kamban : 80,000	1,70,000	Land & Buildings	1,20,000
	3,00,000		3,00,000

The Partners agreed to admit Elangovan into the firm subject to revaluation of the followings items: (i) Stock was to be reduced by Rs. 4,000 (ii) Land and Buildings were to be valued at Rs.1,60,000 (iii) A provision of 2 ½% was to be created for doubtful debtors. (iv) A liability of Rs. 2,600 for outstanding expenses had been omitted to be recorded in the books. Prepare the revaluation account, capital accounts and the balance sheet after the above adjustments.
