Model Question Paper

Partnership accounts - Retirement - Part I

12th Standard

Accountancy

Reg.No. :

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

Time : 01:30:00 Hrs

Total Marks : 100

Part-A

5 x 1 = 5

1) The retiring partner should be paid off or the amount due to him, will be treated as his _______ to the firm.

2) At the time of retirement of partners, the existing partners stand to _______.

3) If the value of liabilities decrease, it results in __________item.

4) At the time of retirement, the increase in the value of goodwill will be transferred to the _______ side of the capital accounts of all the partners.

5) At the time of retirement, the profit on revaluation of assets and liabilities will be transferred to the _______ side of the capital accounts of all the partners.

Part-B

5 x 5 = 25

6) What do you mean by retirement of a partner?

7) Who is an outgoing partner?

8) How can a partner retire from the firm?

9) What is new profit ratio on retirement of a partner?

10) What is gaining 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 retirement of a partner?

12) How will you deal with the amount payable to an outgoing partner?

13) The Old profit sharing of A,B and C eas 4:3:2.Calculate the new ratio and the gaining ratio when (i)A retires (II) B retires (iii) c retires.

14) A, B and C were partners in a firm sharing profits in the ratio 4:3:2. C retired. What would be their new ratio and gaining ratio in each of the following cases. a) If C's share was taken up by A and B equally. b) If C's share was taken up by A and B in the original ratio. c) If C's share was take up by A and B in the ratio of 2:1. d) If C's share was take up entirely by A.

Part-D

1 x 20 = 20

15) Kumutha, Kuzhali and Kothai were partners of a firm sharing profit and losses in the ratio of 6:2:2. Set out below was their balance sheet as on 30.6.1994.

Liabilities		Rs.	Assets	Rs.
Sundry creditors		8,000	Cash in hand	3,000
Reserve fund		30,000	Cash at Bank	5,000
Capital Accounts:			Sundry debtors	45,000
Kumutha :	70,000		Stock	35,000
Kuzhali :	50,000		Machinery	30,000
Kothai :	30,000	1,50,000	Factory building	70,000
		1,88,000		1,88,000

On that date, Kothai retires from business. It is agreed to adjust the values of the assets as follows: (a) To provide a reserve of 5% on sundry debts. (b) To depreciate stock by 5% and machinery by 10%. (c) Factory building to be revalued at Rs.75,000. Prepare revaluation account, capital accounts and the opening balance sheet of the reconstituted firm

****