Model Question Paper

Partnership accounts - Admission - Part II

12th Standard

Accountancy

Reg.No. : | | | | | | |

I.Answer all the questions.
II.Use blue pen only.
III.Question number 15 is compulsory.

Time : 01:30:00 Hrs

Total Marks : 100

Part-A

5 x 1 = 5

1) The balance of revaluation account shows __________ on revaluation.

2) The revaluation profit or loss is transferred to the old partners' capital accounts, in their _______.

3) The difference between old profit sharing ratio and new profit sharing ratio at time of admission is _______ ratio.

4) Undistributed Profit will appear on the _______ side of the Balance sheet.

5) At the time of admission, when goodwill is raised, the old partners capital account will be credited in the _______ ratio.

Part-B

5 x 5 = 25

6) What is revaluation account ?

7) What is accumulated reserve ?

8) Sheela and Neela were sharing profits in the ratio of 4 : 3. Kamala was admitted with 1/5th share in profits of business. Calculate the new profit ratio and the sacrificing ratio.

9) Kokila and Mala were sharing profits in the ratio of 4 : 3. Chandra was admitted in the business as a partner with 3/7th share in the profits of the firm which she takes 2/7th from Kokila and 1/7th from mala. Find out New profit Ratio and the sacrificing ratio.

10) Anandan and Baskaran were partner in a firm sharing profit and loss in the ratio of 3 : 2. They admit Chandran into the partnership to 1/3rd share, the old partners sacrificing equally. Calculate the new profit - ratio and the sacrificing ratio.

Part-C

4 x 12 = 48

11) Raman and Laxmanan were partners sharing profit and loss in the ratio of 4 : 3. In view of velan's admission, they decided to revalue their assets and liabilities as indicated below : (a) To increase the value of buildings by Rs. 60,000. (b) Provision for doubtful debts to be decreased by Rs.800. (c) To decrease machinery by Rs.16,000, furniture by Rs.4,000 and stock by Rs.12,000. (d) A provision for outstanding liabilities was to be created for Rs.800. Show the revaluation Account.

12) M and G were partners sharing profit and loss in the ratio of 3 : 2. They decided to admit L into the partnership and revalue their assets and liabilities as under : (a) To bring into record investment of Rs.12,000 which had not so far been recorded in the books of the firm. (b) To depreciate stock, Furniture and machinery by Rs.3,000, Rs.1,000 and Rs.5,000 respectively. (c) A Provision for Outstanding Liabilities was to be created for Rs.4,000. Give journal entires and show the Revaluation Account.

13) Kalavathi and Malathi are two partners sharing profits in the ratio of 4 : 3. Leelavathi is admitted for 1/3rd share of profits. Goodwill of the firm is to be valued at 2 years purchase of 3 year's profits which have been Rs. 44,000, Rs. 56,000, Rs. 68,000. Give Journal entires if : (a) There is no goodwill in the books of the firm. (b) The goodwill account appears at Rs. 28,000. (c) The goodwill already existing in the books is Rs. 1,68,000.

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 commpensation of Rs. 24,000. Pass the necessary journal entires and show the revaluation account.

Part-D

1 x 20 = 20

15) a) A and B sharing profits in the ratio of 6:4, admit C as a partner with 1/3 share in profits on 1st January, 2000. The terms agreed upon were, a) C has to contribute Rs.25,000 as capital. b) Goodwill of the firm be valued at Rs.26,000. c) Land & building be appreciated by 40%. d) Depreciate Plant & Machinery by 10%. e) The provision for doubtful debts was to be increased by Rs.800. f) A liability of Rs.1,000 included in the Sundry Creditors is not likely to arise. The Balance sheet of A, B as on 31.12.1999 before C's admission was as follows :

Liabilities	**Rs.**	**Assets**	**Rs.**
Sundry Creditors	29,000	Cash	9,000
Bills payable	6,000	Land & Buildings	25,000
Capitals :		Plant & Machinery	30,000
A 50,000		Stock	15,000

(OR)

b) A and B were partners sharing profits and losses in the ratio of 3 : 2. Their balance sheet on 31st December, 2001 is as under.

Liabilities	**Rs.**	**Assets**	**Rs.**
Capital accounts :		Land & Buildings	40,000
A : 30,000		Plant & machinery	10,000
B : 25,000	55,000	Investments	10,000
Reserve fund	10,000	Stock	11,000
Sundry Creditors	16,000	Profit & Loss Account	10,000
Bills payable	6,800	Sundry Debtors 5,000	
		Less : Provision	
		For doubtful debts 200	4,800
		Cash	2,000
	87,800		87,800

They decided to admit C into the partnership with effect from 1st january, 2002. (i) That C shall Bring as a captial of Rs. 20,000 for 1/3rd profits. (ii) That goodwill of the firm was revalued at Rs. 36,000 (iii) Land was to be revalued at Rs.45,000 and investments at Rs.25,000 (iv) Stock was to be written down by Rs.2,000. (v) That provision for doubtful debts was to be increased to Rs.300. (vi) Creditors include Rs.500 no longer payable and this sum was to be written off. Pass journal entries to carry out the above terms of admission. Also show Revaluation account, Capital accounts of partners and the Balance Sheet of the reconstituted partnership.

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