SYAF. fin. Accg. III Oct; 12

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Q.1 The following is the Trial Balance of firm as on 31st Dec., 2011. [15]

Debit	₹	Credit	₹
Drawings : A	15000	Capital : A	24000
B	7500	B	12000
C	1500	C (including Goodwill)	5000
Furniture	10500		
Purchases	110000	Sales	180000
Stock	25000	Creditors	13500
General Expenses	5200		
Salary	12000		
Rent and Taxes	5900		
Debtors	31000		
Bank	10900		
	234500		**234500**

Adjustments :-

1. A and B were partners sharing profits & losses equally.
2. Mr. C was admitted to partnership on 1st July, 2011.
3. On 31st December. 2011 stock was valued at Rs. 23500
4. Rent and Taxes paid in advance Rs. 900.
5. General Expenses were outstanding Rs. 800.
6. Charge depreciation on furniture @ 10% p.a.
7. Share of Goodwill of new partner was valued at Rs. 1000 on 1st July, 2011 and yet to be adjusted.
8. Interest on capital to be charged @ 10% p.a.

You are required to prepare Trading, P & L A/c for the year ended on 31st Dec., 2011. and Balance sheet as on that date.

Q.2 Objective Questions : [5]

A) Multiple choice questions

1. The proportion in which old partners make a sacrifice

   a) Ratio of Capital b) Ratio of Sacrifice

   c) Gaining Ratio d) Profit Sharing ratio

2. The accumulated profits and reserves are transferred to

   a) Realisation A/c b) Partner's Capital A/c

   c) Bank A/c d) Partner's Current A/c

3. When their is-their partners, excess capital is to be computed

   a) Once b) twice

   c) thrice d) four times

4. Which of the following is not a secured loan.............

   a) Debentures b) fixed deposits

   c) Public Deposits d) Term loan from banks

5. Income received in advance is shown on the .... side of the Balance sheet

   a) Debit b) Asset

   c) Liabilities d) Credit

B) State whether the following statements are TRUE or FALSE : [5]

1. The sacrifice ratio is always different from the old profit ratio.
2. The realisation loss is shared by partners in their Capital ratio.
3. In Excess Capital Method, Proportionate Capital of a partner is equal to his capital divided by his share of profit.
4. Interest on Drawing is loss to the partnership firm.
5. Reserve for discount on creditors shown a credit balance.

C) R, S and P are partners sharing profit in the ratio of 3/8, ½, and 1/8 R retires and surrender 2/3 of his share in favour of S and remaining in favour of P Calculate : 1) New ratio 2) Gaining ratio [5]

Q.3 Anil and Bipin were partners sharing profit & losses in the ratio of 2:3 respectively. [15]

Balance sheet as on 31st Dec. 2010

Liabilities	Amount	Assets	Amount
Creditors	70000	Cash	5000
Capital A/c		Land & Building	25000
Anil	50000	Plant	30000
Bipin	50000	Furniture	2000
		Stock	50000
		Debtors	58000
	170000		170000

They agreed to admit chandu as a partner on 1st January, 2011 on the following terms.

1. Chandu shall bring & Rs. 25000 as his capital for 1/4th share in future profit.
2. He shall bring Rs. 20,000 as his share of goodwill.
3. Provision for bad debts to be made at 5% on debtors.
4. Stock is to be valued at Rs. 55000
5. The capital accounts of all partners to be adjusted in their new profit sharing ratio and any excess or deficit amount be transferred to their current accouts.

Prepare

1. Profit and loss Adjustment A/c
2. Partner's Capital A/c
3. Balance sheet of new firm.

OR

Q.4 Following is the Balance sheet of Amar, Akbar and Anthony who shared Profit and losses in the ratio of 2/5; 3/10: 3/10 respectively. [15]

Balance sheet as on 31st March, 2011

Liabilities	Amount	Assets		Amount
Sundry Creditors	12000	Cash at bank		4500
Reserve fund	6250	Sundry Debtor	5000	
Capital A/c		(-)R.D.D.	500	4500
Amar	20000	Stock		12500
Akbar	15000	Motor vans		4000
Anthony	12250	Machinery		17500
		Building		22,500
	65,500			**65,500**

Akbar retires on 1-7-2011 on the following terms

1. The share of Akbar in Goodwill of the firm is valued at Rs. 2700
2. Machinery to be depreciated by 10% and Motor vans by 12 ½ %.
3. Stock to be Depreciated by 10% and Building by 20%.
4. A Provision of Rs. 2000 to be made for a claim of compensation.
5. R.D.D. is no longer necessary.
6. Amar and Anthony will share the future profits in the ratio of 1:2 in which goodwill should be written off.
7. Akbar profit till retirement is based on last year's profit which was

Q.5 Ram, Laxman and Bharat were partners sharing profit and Losses in the ratio of 5:3:2 respectively. [15]

Balance sheet as on 31st Dec., 2010

Liabilities	Amount	Assets	Amount
Capital A/c		Sundry Assets	130000
Ram	40000	Cash	16000
Laxman	47000	Current A/c	
Bharat	15000	Bharat	14000
Current A/c's			
Ram	4000		
Laxman	4000		
Bills Payable	8000		
Creditors	42000		
	160000		**160000**

They decided to dissolve the partnership firm on the above date on the following terms.

1. Sundry assets realised 70% of their book value.
2. Unrecorded outstanding expenses Rs. 7000 were paid.
3. Realisation expenses paid were Rs. 4000.
4. Sundry creditors and Bills payable were repaid Rs. 42,000 in all.
5. Bharat became insolvent and only Rs. 4000 was recovered from his private estate.

prepare : 1) Realisation A/c

2) Partners Capital A/c

3) Partners Current A/c

4) Bank A/c

OR

Q.6 Shrusti, Shweta and Sadhana carrying and business in partnership decided to dissolve it on and from 30th September, 2011. The following was their Balance sheet as on that date. [15]

Balance sheet

Liabilities	Amount	Assets	Amount
Capital A/c		Fixed Assets	40,000
Shrusti	20,000	Current assets	22,000
Shweta	5,000	Bank	13,000
Sadhana	10,000		
General Reserve	30,000		
Creditors	10,000		
	75,000		**75,000**

As per the arrangement with the bank, the partner were entitled to withdraw Rs. 4000 immediately and Rs. 9000 after 1st December, 2011. It was decided that after keeping aside an amount of Rs. 1000 for estimated realisation expenses, the available funds should be distributed amongst the partners as and when realised.

The following were the realisation.

Particulars	Fixed assets	Current assets
31st Oct., 2011 (First)	10,000	5,000
15th Nov., 2011 (Second)	26,000	12,000
30th Dec., 2011 (Final)	10,000	12,000

Actual realisation expenses amounted to Rs. 700. You are requested to submit a statement showing distribution of cash amongst the partners by proportionate capital method.