Holidays' Homework, 2024-25
XII - ACCOUNTANCY

Q1. Prepare short notes, after reading and understanding theoretical concepts of chapter 1,2 and 3 from prescribed book.
Q2. Do all Case Study based MCQ questions of chapter 1, 2 and 3 from prescribed book.
Q3. Solve the following questions in notebook.

1. Akhil and Nikhil were partners sharing profits and losses in the ratio of 3:2. Their fixed capitals were ₹1,00,000 and ₹80,000 respectively. Interest on capital was agreed @ 6% p.a. Nikhil was to be allowed an annual salary of ₹9,200. During the year 2021-22, the net profit prior to the calculation of interest on capital but after charging Nikhil's salary amounted to ₹1,20,000. Prepare Profit and Loss Appropriation Account of the firm for the year ending 31st March, 2022.

2. A, B and C were partners in a firm sharing profits and losses equally. Their respective capitals were ₹10,00,000, ₹9,00,000 and ₹8,00,000. The Partnership Deed provided for:
(i) Interest on Capital @ 9%p.a.;
(ii) Interest on Drawings @ 12% p.a.;
(iii) Interest on Partner's Loan to the firm @ 10% per annum.
During the year, B had withdrawn ₹20,000 for his personal use. On 30.09.2021, A had given a loan of ₹70,000 to the firm. Pass the necessary Journal Entries in the books of the firm for the following for the year ended 31st March, 2022:
(i) Allowing interest on C's Capital;
(ii) Providing Interest on A's Loan;
(iii) Charging Interest on B's Drawings.
Also give transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

3. Rachna, Moni and Priya started a partnership firm on 1st April, 2023. They contributed ₹5,00,000, ₹4,00,000 and ₹3,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3:2:1. The partnership provides that Rachna is to be paid a salary of ₹10,000 per month and Moni a commission of ₹50,000. It also provides that interest on capital be allowed @ 6% p.a. The drawings for the year were Rachna ₹60,000, Moni ₹40,000 and Priya ₹20,000. Interest on drawings was charged as ₹2,700 on Rachna's drawings, ₹1,800 on Moni's drawings and ₹900 on Priya's drawings. The net amount of profit as per Profit and Loss Account for the year 2023-24 was ₹3,56,600. Prepare Profit and Loss Appropriation Account and show capital accounts of the partners.

4. The capital accounts of Alka and Archana showed credit balances of ₹4,00,000 and ₹3,00,000 respectively, after taking into account drawings and net profit of ₹2,00,000. The drawings of the partners during the year 2018-19 were:
(i) Alka withdrew ₹10,000 at the end of each quarter.
(ii) Archana's drawings were:

Date	Amount (₹)

31st May, 2018 -	8,000
1st November, 2018 -	7,000
1st February, 2019 -	5,000

Calculate interest on partners' capitals @ 10% p.a. and interest on partners' drawings @ 6% p.a. for the year ended 31st March, 2019.

5. Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2013 and 2014, interest on capital has been allowed to partners @ 6% p. a., although there is no provision for interest on capital in the Partnership Deed. Their fixed capitals were ₹2,00,000; ₹1,60,000 and ₹1,20,000 respectively. During the last two years, they had shared the profits as under:

Year	Ratio
31st March 2013	3:2:1
31st March 2014	5:3:2

You are required to give necessary adjusting entry on April 1, 2014.

6. Kamal, Manoj and Pawan are partners sharing profits and losses in the ratio of 5:3:2. Their capitals are ₹80,000, ₹50,000 and ₹40,000, respectively. Each partner is entitled to interest on capitals @ 10% p.a. Manoj is entitled to a salary of ₹10,000 p.a. and Pawan is entitled for commission of ₹4,000 p.a.
Kamal guaranteed that the firm would earn a profits of ₹1,20,000 before allowing interest on capital, partner salaries and commission. The actual profit for the year 2023-24 before commission, interest and salaries amounted to ₹1,12,000. Prepare Profit and Loss Appropriation A/c.

7. Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of ₹2,00,000. The firm incurred a loss of ₹22,00,000 for the year ended 31st March, 2018. Pass necessary Journal Entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.

8. Anshuman, Bharat and Chetan are partners sharing profits and losses in the ratio of 3:2:1. Their capitals are ₹3,00,000, ₹2,00,000 and ₹1,00,000 respectively. They earned profit of ₹2,40,000 in the year 2023-24. Calculate share of profit of each partner in each of the following individual cases:
(i) Chetan's share of profit is guaranteed at ₹50,000.
(ii) Chetan's share of profit is guaranteed at ₹45,000. Any deficiency be borne by Anshuman and Bharat in 4:1
(iii) Chetan's share of profit is guaranteed at ₹42,000 by Anshuman personally.
(iv) Bharat's share of profit is guaranteed at ₹84,000. Chetan is also guaranteed share in profit of ₹44,000 by Anshuman personally.

9. Rahul, Sumit and Mohit are partners sharing profits and losses in the ratio of 3:2:1. They decided to share future profits and losses in the ratio of 7:2:3. Goodwill of the firm is valued at ₹3,00,000. Show Journal Entries under each of the following alternative cases:
Case 1. When no goodwill appears in the books.
Case 2. When goodwill appears in the books at ₹42,000 and it is agreed among the partners that existing goodwill is written off.

10. Isha, Surbhi, Naman and Manya were partners in a firm sharing profits and losses in the ratio of 4:3:2:1. They decided to share profits and losses in the ratio of 5:2:2:1 with effect from 1st April, 2022. On this date, the goodwill of the firm was valued at ₹6,00,000 and General Reserve appeared in the books at ₹2,00,000. Pass necessary Journal Entries for the above transactions. Show your workings clearly.

11. A, B and C were partners in a firm sharing profits and losses in the ratio of 3:2:1. D was admitted in the firm for 1/6th share. C would retain his original share. Calculate the new profit-sharing ratio.

12. A and B are in partnership sharing profits and losses in the ratio of 3:2. They admit C into partnership with 1/5th share which he acquires equally from A and B. Accountant has calculated new profit-sharing ratio as 5:3:2. Is accountant correct?

13. Anubhav and Mithlesh are partners sharing profits and losses in the ratio of 2:1. They admittedBhuvnesh as a new partner for 1/3th share. On the date of Bhuvnesh's admission, Bhuvnesh's share of goodwill is valued at ₹30,000. Pass the necessary Journal Entries for Treatment of Goodwill in each of the following individual cases:
(i) When Bhuvnesh pays his share of goodwill privately.
(ii) When Bhuvnesh brings his full share of goodwill in cash.
(iii) When Bhuvnesh brings only ₹6,000 out of his total share of premium for goodwill.
(iv) When Bhuvnesh does not bring premium for goodwill.

14. Divya and Anjali are partners sharing profits and losses in the ratio of 2:3. They admitted Nisha as a new partner for 1/5th share in profits. On the date of Nisha's admission, Nisha's share of goodwill is valued at ₹24,000, which she brings in cash. Pass the necessary Journal Entry for treatment of goodwill in each of the following individual cases:
(i) When nothing is given about the sacrificing ratio.
(ii) When Nisha acquired her share from Divya and Anjali equally.
(iii) When Nisha acquired whole of her share from Divya.
(iv) When Divya's sacrifice is 7/30 and Anjali's gain is 2/30.

15. Anil and Beena were partners in a firm sharing profits in the ratio of 4:3. On 1st April, 2015, they admitted Chahat as a new partner for 1/4th share in the profits of the firm. On the date of Chahat's admission, the Balance Sheet of Anil and Beena showed a General Reserve of ₹70,000, a debit balance of ₹7,000 in the Profit and Loss Account and an Investment Fluctuation Fund of ₹10,000. The following was agreed upon on Chahat's admission:
(a) Chahat will bring ₹80,000 as her capital and her share of goodwill premium of ₹21,000 in cash.
(b) The market value of investments was ₹17,000 less than the book value.
(c) New profit-sharing ratio was agreed at 2:1:1.
Pass the necessary Journal Entries for the above on Chahat's admission.

16. A and B were partners sharing profits and losses equally, having capitals of ₹4,00,000 and ₹3,00,000 respectively. They decided to admit C as a new partner for 1/5th share. The new profit-sharing ratio is agreed

at 2:2:1. The adjusted capitals of A and B (after all adjustments of premium for goodwill, reserves, accumulated profits and revaluation profit) are ₹4,50,000 and ₹3,50,000 respectively. Calculate the new capitals of A, B and C and the amount of actual cash to be brought in or to be paid to the partners in each case.

(i) When the new partner is required to bring proportionate capital.

(ii) When the new partner has to bring capital on the basis of combined capitals of old partner.

(iii) When the capital of the old partners be adjusted on the basis of new partner's capital. C brings ₹1,80,000 for 1/5th share.

(iv) Total capital of reconstituted firm is given as ₹12,00,000, which is to be adjusted in new ratio.

17. A and B were partners in a firm sharing profits in the ratio of 5: 3. Their fixed capitals on 31st March, 2017 were: A ₹60,000 and B ₹80,000. They agreed to allow interest on capital @ 12% p.a. The profit of the firm for the year ended 31st March, 2018 before allowing interest on capitals was ₹12,600.

Pass necessary Journal entries for the above transactions in the books of A and B. Also show your working notes clearly.

18. Arun and Barun were partners sharing profits in the ratio of 3: 2. Their capitals were ₹50,000 and ₹30,000 respectively. Partnership deed provided for interest on capital @ 6% p.a. to Arun and Barun and quarterly salary of ₹1,000 to Barun. Arun had given a loan of ₹1,00,000 on 1st October, 2021 to the firm without any agreement about interest.

For the year 2021-22, the profits earned were ₹26,800.

Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2022.

19. Sonu and Rajat started a partnership firm on 1st April, 2017. They contributed ₹8,00,000 and ₹6,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3: 2.

The Partnership Deed provided that Sonu was to be paid a salary of ₹20,000 per month and Rajat a commission of 5% on turnover. It also provided that interest on capital be allowed @ 8% p.a. Sonu withdrew ₹20,000 on 1st December, 2017 and Rajat withdrew ₹5,000 at the end of each month. Interest on drawings was charged @ 6% p.a. The net profit as per Profit & Loss Account for the year ended 31st March, 2018 was ₹4,89,950. The turnover of the firm for the year ended 31st March, 2018 amounted to ₹20,00,000. Pass necessary Journal entries for the above transactions in the books of Sonu and Rajat.

20. A, B and C were partners in a firm sharing profits and losses in the ratio of 3: 3: 4. On 1st April, 2017 the balances in their Capital and Current Accounts were as follows:

Partners	Capital Accounts (₹)	Current Accounts (₹)
A	4,00,000 Cr.	20,000 Dr.
B	5,00,000 Cr.	10,000 Dr.
C	6,00,000 Cr.	15,000 Dr.

Their Partnership Deed provided for the following:

(i) Interest on Capital @ 9% p.a.

(ii) Salary to A @ ₹50,000 per quarter.

On 1st January, 2016, C had given a loan of ₹2,00,000 to the firm at 6% per annum interest.

During the year their drawings were A ₹40,000, B ₹75,000 and C ₹55,000. On Ist January, 2018, A introduced further capital ₹2,00,000. The net profit of the firm before allowing interest on C's loan was ₹4,00,000. Prepare Profit & Loss Appropriation Account of the firm for the year ending 31st March, 2018 and the Current Accounts of the partners.

21. Sudha, Naresh and Geeta were partners in a firm sharing profits in the ratio of 5: 3: 2. Their fixed capitals were ₹6,00,000; ₹4,00,000 and ₹2,00,000 respectively. Besides her capital Geeta had given a loan of ₹75,000 to the firm. Their partnership deed provided for the following:
(i) Interest on capital @ 9% p.a.
(ii) Interest on partners' drawings @ 12% p.a.
(iii) Salary to Sudha ₹30,000 per month and to Naresh ₹40,000 per quarter.
(iv) Interest on Geeta's loan @ 9% p.a.
During the year Sudha withdrew ₹50,000 at the end of each quarter; Naresh withdrew ₹50,000 in the beginning of each half year and Geeta withdrew ₹70,000 at the end of each half year.
The profit of the firm for the year ended 31st March, 2019 before allowing interest on Geeta's loan was ₹7,06,750.
Prepare Profit & Loss Appropriation Account.

22. Rakshit and Malik are partners in a firm sharing profits and losses in the ratio of 4: 1. On 1st April, 2021, their capitals were ₹1,20,000 and ₹80,000 respectively. On 1st December, 2021, they decided that the total capital of the firm should be ₹3,00,000 to be contributed by them in the ratio of 2: 1.
According to the Partnership Deed, interest on capital is allowed to the partners @ 6% p.a.
Calculate interest on capital to be allowed for the year ending 31st March, 2022.

23. Raman, Manan and Naman were partners sharing profits in the ratio of 2: 1: 1. Raman withdrew ₹3,000 every month and Manan withdrew ₹4,000, every month. Interest on drawings @ 6% p.a. was charged whereas the partnership deed was silent about interest on drawings.
Showing your working clearly, pass the necessary adjustment entry to rectify the error

24. A and B are partners in a firm sharing profits and losses in the ratio of 7: 3. Their fixed capitals were: A ₹9,00,000 and B ₹4,00,000. The Partnership Deed provided the following:
(i) Interest on capital @ 10% p.a.
(ii) A's salary ₹50,000 per year and B's salary ₹3,000 per month.
Profit for the year ended 31st March, 2019 ₹2,78,000 was distributed without providing for interest on capital and partners' salary. Showing your working clearly, pass the necessary adjustment entry for the above omissions.

25. P, Q and R were partners with fixed capitals of ₹40,000, ₹32,000 and ₹24,000 respectively.After distributing the profit of ₹48,000 for the year ended 31st March 2022 in their agreed ratio of 3: 1: 1, it was observed that:
1. Interest on capital was provided at 10% p.a. instead of 8% p.a.
2. Salary of ₹12,000 was credited to P instead of Q.
You are required to pass a single Journal entry in the beginning of the next year to rectify the above omissions.

26. Mohan, Sohan and Suresh were partners in a firm sharing profits in the ratio of 2: 2: 1.Suresh was guaranteed a profit of ₹70,000. Any deficiency on account of guarantee to Suresh was to be borne by Mohan and Sohan a 3:2 ratio. The profit of the firm for the year ended 31st March, 2022 amounted to ₹2,00,000. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2022.

27. A, B and C were partners in a firm. On 1st April, 2018 the balances in their capital accounts stood at ₹8,00,000, ₹6,00,000 and ₹4,00,000 respectively. As per the provisions of the partnership deed, partners were entitled to interest on capital @ 5% p.a., salary to B ₹3,000 per month and a commission of ₹12,000 to C. A's share of profit, excluding interest on capital, was guaranteed at ₹25,000 p.a. B's share of profit, including interest on capital but excluding salary was guaranteed at ₹55,000 p.a.Any deficiency arising on that account was to be met by C. The profits of the firm for the year ending 31st March, 2019 amounted to ₹2,16,000. Prepare Profit & Loss Appropriation Account for the year ending 31st March, 2019.

28. Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2:2:1. Their partnership deed provided the following:
(i) A monthly salary of ₹15,000 each to Jay and Vijay.
(ii) Karan was guaranteed a profit of ₹5,00,000 and Jay guaranteed that he will earn an annual fee of ₹2,00,000. Any deficiency arising because of guarantee to Karan will be borne by Jay and Vijay in the ratio of 3:2.During the year ended 31st March, 2018 Jay earned fee of ₹1,75,000 and the profits of the firm amounted to ₹15,00,000.
Showing your workings clearly prepare Profit and Loss Appropriation Account and the Capital Account of Jay, Vijay and Karan for the year ended 31st March, 2018.

29. Shreya and Vivek were partners in a firm sharing profits in the ratio 3:2. The balances in their capital and current accounts as on 1st April, 2017 were as under :

	Sherya (₹)	Vivek (₹)
Capital accounts	3,00,000	2,00,000
Current accounts	1,00,000 (Cr.)	28,000 (Dr.)

The partnership deed provided that Shreya was to be paid a salary of ₹5,000 p.m. whereas Vivek was to get a commission of ₹30,000 for the year. Interest on capital was to be allowed @ 8% p.a. whereas interest on drawings was to be charged @ 6% p.a. The drawings of Shreya were ₹3,000 at the beginning of each quarter while Vivek withdrew ₹30,000 on 1st September, 2017. The net profit of the firm for the year before making the above adjustments was ₹1,20,000.
Prepare Profit and Loss Appropriation Account and Partners' Capital and Current Accounts.

30. A and B were partners in a firm sharing profits in the ratio of 5:3. Their fixed capitals on 31st March, 2017 were : A ₹ 60,000 and B ₹ 80,000. They agreed to allow interest on capital @ 12% p.a. The profit of the firm for the year ended 31st March, 2018 before allowing interest on capitals was ₹12,600.
Pass necessary journal entries for the above transactions in the books of A and B. Also show your working notes clearly.

31. Naveen, Qadir and Rajesh were partners doing an electronic goods business in Uttarakhand. After the accounts of partnership were drawn up and closed, it was discovered that interest on capital has been allowed to partners @ 6% p.a. for the years ending 31st March, 2017 and 2018, although there is no provision for interest on capital in the partnership

deed. On the other hand, Naveen and Qadir were entitled to a salary of ₹3,500 and ₹4,000 per quarter respectively, which has not been taken into consideration. Their fixed capitals were ₹4,00,000, ₹3,60,000 and ₹2,40,000 respectively. During the last two years they had shared the profits and losses as follows:

Year Ended	Ratio
31st March, 2017	3:2:1
31st March, 2018	5:3:2

Pass necessary adjusting entry for the above adjustments in the books of the firm on 1st April, 2018. Show your workings clearly.

32. On 31st March, 2018 the balance in the Capital Accounts of Abhir, Bobby and Vineet, after making adjustments for profits and drawings were ₹8,00,000, ₹6,00,000 and ₹4,00,000 respectively. Subsequently, it was discovered that interest on capital and interest on drawings had been omitted. The partners were entitled to interest on capital @ 10% p.a. and were to be charged interest on drawings @ 6% p.a. The drawings during the year were: Abhir₹20,000 drawn at the end of each month, Bobby ₹50,000 drawn at the beginning of every half year and Vineet₹1,00,000 withdrawn on 31st October, 2017. The net profit for the year ended 31st March, 2018 was ₹1,50,000. The profit sharing ratio was 2:2:1.
Pass necessary adjusting entry for the above adjustments in the books of the firm. Also, show your workings clearly.

33. Pass necessary rectifying journal entries for the following omissions committed while preparing Profit and Loss Appropriation Account. You are also required to show your workings clearly.
(i) A, B and C were partners sharing profits and losses equally. Their fixed capitals were A ₹4,00,000; B ₹5,00,000 and C ₹6,00,000. The partnership deed provided that interest on partners' capital will be allowed @ 10% per annum. The same was omitted.
(ii) P, Q and R were partners in a firm sharing profits and losses in the ratio of 2:2:1. Their partnership deed provided that interest on partners' drawings will be charged @ 18% p.a. Interest on the partners' drawings was ₹1,000, ₹500 and ₹2,000 respectively. The same was omitted.

34. The capital of the firm of Anuj and Benu is ₹10,00,000 and the market rate of interest is 15%. Annual salary to the partners is ₹60,000 each. The profit for the last three years were ₹3,00,000, ₹3,60,000 and ₹4,20,000. Goodwill of the firm is to be valued on the basis of two years purchase of last three years average super profits. Calculate the goodwill of the firm.

35. Average profits of a firm during the last few years are ₹80,000 and the normal rate of return in a similar business is 10%. If the goodwill of the firm is ₹1,00,000 at 4 years' purchase of super profit, find the capital employed by the firm.

36. A and B are partners in a firm sharing profits and losses in the ratio of 2:1. On 1st April, 2017 they decided to admit C into partnership for 1/5th share in the profits. For this purpose, goodwill was valued at 80% of the average annual profits of the previous four years. The profits of the last four years were:

Year Ending	Amount (₹)
31.3.2014	1,67,000
31.3.2015	1,56,000
31.3.2016	1,92,000
31.3.2017	(10,000)

Calculate the value of goodwill of the firm and the amount of goodwill premium brought by C on his admission.

37. The goodwill of a firm was to be valued at two years' purchase of the average profits of the last three years. The profits were as under:

2014 – 15: ₹ 20,000 (including an abnormal gain of ₹5,000)
2015 – 16: ₹ 40,000 (after charging an abnormal loss of ₹10,000)
2016 – 17: ₹ 40,000
Calculate the amount of goodwill.

38. The goodwill of a firm was to be valued at two years' purchase of the average profit of the last three years. The profits were as under:

2014-15:	₹20,000 (including an abnormal gain of ₹5,000)
2015-16:	₹40,000 (after charging an abnormal loss of ₹10,000)
2016-17:	₹40,000

Calculate the amount of goodwill.

39. A business earned average profits of ₹6,00,000 during the last few years. The normal rate of profits in the similar type of business is 10%. The total value of assets and liabilities of the business were ₹22,00,000 and ₹5,60,000 respectively.
Calculate value of goodwill of the firm by super profit method if the goodwill is valued at 2 years' purchase of super profits.

40. On 1st April, 2022, the capital of the firm of Ashu and Madhav is ₹1,50,000. The normal rate of return on capital employed is 10%. Average profits of the firm are ₹23,500. Calculate goodwill of the firm based on three years' purchase of super profits.

41. The average profit earned by a firm is ₹75,000 which includes undervaluation of stock of ₹5,000 on an average basis. The capital invested in the business is ₹7,00,000 and the normal rate of return is 7%. Calculate goodwill of the firm on the basis of 5 times the super profit.

42. On 1st April, 2014, a firm had assets of ₹1,00,000 excluding stock of ₹20,000. Partners' Capital Accounts showed a balance of ₹60,000. The current liabilities were ₹10,000 and the balance constituted the reserve. If the normal rate of return is 8%, the 'Goodwill' of the firm is valued at ₹60,000 at four years of purchase of super profit, find average profit of the firm.

43. Radhika, Bani and Chitra were partners in a firm sharing profits and losses in the ratio of 2:3:1. With effect from 1st April, 2018 they decided to share future profits and losses in the ratio of 3:2:1. On that date their Balance Sheet showed a debit balance of ₹24,000 in Profit and Loss Account and a balance of ₹1,44,000 in General Reserve.
It was also agreed that:
(a) The goodwill of the firm be valued at ₹1,80,000.
(b) The Land (having book value of ₹3,00,000) will be valued at ₹4,80,000.
Pass the necessary journal entries for the above changes.

44. Hari, Kunal and Uma are partners in a firm sharing profits and losses in the ratio of 5:3:2. From 1st April, 2018 they decided to share future profits and losses in the ratio of 2:5:3. Their Balance Sheet showed a balance of ₹75,000 in the Profit and Loss Account and a balance of ₹15,000 in Investment Fluctuation Fund.
For this purpose, it was agreed that:
(i) Goodwill of the firm was valued at ₹3,00,000.
(ii) That investments (having a book value of ₹50,000) were valued at ₹35,000.

Pass the necessary journal entries for the above in the books of the firm.

45. Mita, Gopal and Farhan were partners sharing profits and losses in the ratio 3:2:1. On 31st March, 2018 they decided to change the profit sharing ratio to 5:3:2. On this date, the Balance Sheet showed deferredadvertisement expenditure ₹30,000 and contingency reserve ₹9,000.Goodwill was valued at ₹4,80,000. Pass the necessary journal entries forthe above transactions in the books of the firm on its reconstitution.

46. Ramesh, Mahesh and Suresh were partners in a firm sharing profits in the ratio of 3:3:2. Their respective fixed capitals were Ramesh ₹5,00,000; Mahesh ₹4,00,000 and Suresh ₹3,00,000. They admitted Govind as a new partner for $1/5^{th}$ share in the profits. Govind brought ₹4,00,000 as his capital and the necessary amount for goodwill premium. Their new profit sharing ratio will be 2 : 1 : 1 : 1.
Calculate the value of goodwill of the firm, showing your workings clearly. Pass necessary journal entries for the above transactions on Govind's admission.

47. V and S are partners in a firm sharing profits and losses in the ratio of 5:3. They admitted G as a new partner for 1/5th share of profits. G brought ₹20,000 as capital and ₹4,000 as his share of goodwill premium. Give necessary journal entries.
(i) when the amount of goodwill premium was retained in the business, and
(ii) when the amount of goodwill premium was fully withdrawn.

48.P, Q and R were partners in a firm sharing profits in the ratio of 3: 2: 1. They admitted S as a new partner for 1/8th share in the profits which he acquired 1/16th from P and 1/16th from Q. Calculate new profit-sharing ratio of P, Q, R and S.

49. Puneet and Deepak were in partnership sharing profits and losses in the ratio of
2:1. They admitted Manya as a new partner. Manya brought ₹1,00,000 as her share of goodwill premium, which was entirely credited to Puneet's Capital Account. On the date of admission, goodwill of the firm was valued at ₹3,00,000. Calculate the new profit-sharing ratio of Puneet, Deepak and Manya.

50. V and S are partners in a firm sharing profits and losses in the ratio of 5:3. They admitted G as a new partner for 1/5th share of profits. G brought ₹20,000 as capital and ₹4,000 as his share of goodwill premium.
Give necessary Journal entries:
(i) when the amount of goodwill premium was retained in the business, and
(ii) when the amount of goodwill premium was fully withdrawn.

51. Niti and Aditi were partners in a firm sharing profits and losses in the ratio of 2:3.
They admitted John into partnership for 1/4th share in the profits of the firm, which he acquired equally from Niti and Aditi. John brought ₹5,00,000 as his capital and ₹1,00,000 as premium for goodwill. One-fourth of the goodwill was withdrawn by the old partners.
Pass necessary Journal entries for the above transactions in the books of the firm.

52. Atul and Geeta were partners sharing profits in the ratio 3:2. Ira was admitted into the firm for 1/4th share of profits. Ira brought ₹40,000 as her capital. The capitals of Atul and Geeta after all adjustments relating to goodwill, revaluation of assets and liabilities, etc. are ₹60,000 and ₹40,000 respectively. It is agreed that capitals should be according to the new profit-sharing ratio.
Calculate the amount of actual cash to be paid off or brought in by the old partners. Pass the necessary Journal entry/entries for the same.
53. Raka, Seema and Mahesh were partners sharing profits and losses in the ratio of 5:3:2.
With effect from 1st April, 2019, they mutually agreed to share profits and losses in the ratio of 2:2:1.
On the date, there was a workmen's compensation fund of ₹90,000 in the books of the firm.

It was agreed that:
(i) Goodwill of the firm be valued at ₹70,000.
(ii) Claim for workmen's compensation amounted to ₹40,000.
(iii) Profit on revaluation of assets and reassessment of liabilities amounted to ₹40,000.
Pass necessary Journal entries for the above transactions in the books of the firm.

54. Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2:1:2:1. They decided to share profits and losses in the ratio of 4:2:3:1 with effect from 1st April, 2022. On this date, goodwill of the firm was valued at ₹1,20,000 and General Reserve appeared in the books of ₹36,000.
Pass necessary Journal entries for the above transactions. Show your workings clearly.

55. P, Q and R were partners in a firm sharing profits and losses in the ratio of 3:2:1. On 31st March, 2018 their Balance Sheet was as follows:

Balance Sheet of P, Q and R as at 31st March, 2018

LIABILITIES	AMOUNT (₹)	ASSETS	AMOUNT (₹)
Creditors	50,000	Cash in Hand	40,000
General Reserve	60,000	Debtors	60,000
Capitals		Stock	50,000
P – 2,00,000		Fixed Assets	5,60,000
Q - 3,00,000			
R - 3,00,000	8,00,000		
	9,10,000		9,10,000

On the above date the firm was reconstituted and it was decided that:
(i) The new profit sharing ratio will be 2:2:1.
(ii) Bad Debts ₹6,000 were to be written off and a provision of ₹3,000 was to be made for bad and doubtful debts.
(iii) The capital of the partners will be adjusted in the new firm in theirprofit sharing ratio. For this, partners' current accounts will beopened.
Pass the necessary journal entries on the reconstitution of the firm.

56. R, S and T were partners in a firm sharing profits in the ratio of 1: 2: 3. Their Balance Sheet as on 31st March, 2015 was as follows:

Balance Sheet of R, S and T as on 31-3-2015

LIABILITIES	AMOUNT (₹)	ASSETS	AMOUNT (₹)
Creditors	50,000	Land	50,000
Bills Payable	20,000	Building	50,000
General Reserve	30,000	Plant	1,00,000
Capitals		Debtors	30,000
R – 1,00,000		Stock	40,000
S – 50,000		Bank	5,000
T – 25,000	1,75,000		
	2,75,000		2,75,000

R, S and T decided to share the profits equally with effect from 1st April, 2015. For this it was agreed that:
(a) Goodwill of the firm be valued at ₹1,50,000.
(b) Land be revalued at ₹80,000 and building be depreciated by 6%.
(c) Creditors of ₹6,000 were not likely to be claimed and hence be written off.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

57. Sanjana and Alok were partners in a firm sharing profits and losses in the ratio 3:2. On 31st March, 2018 their Balance Sheet was as follows:

Balance Sheet of Sanjana and Alok as on 31-3-2018

LIABILITIES	AMOUNT (₹)	ASSETS		AMOUNT (₹)
Creditors	60,000	Cash		1,66,000
Workmen Compensation Fund	60,000	Debtors	1,46,000	
Capitals		Less: Provision for doubtful debts	2,000	1,44,000
Sanjana – 5,00,000		Stock		1,50,000
Alok - 4,00,000	9,00,000	Investment		2,60,000
		Furniture		3,00,000
	10,20,000			10,20,000

On 1st April, 2018, they admitted Nidhi as a new partner for 1/4th share in the profits on the following terms:

(a) Goodwill of the firm was valued at ₹4,00,000 and Nidhi brought the necessary amount in cash for her share of goodwill premium, half of which was withdrawn by the old partners.

(b) Stock was to be increased by 20% and furniture was to be reduced to 90%.

(c) Investments were to be valued at ₹3,00,000. Alok took over investments at this value.

(d) Nidhi brought ₹3,00,000 as her capital and the capitals of Sanjana and Alok were adjusted in the new profit sharing ratio.

Prepare Revaluation Account, Partners Capital Accounts and the Balance Sheet of the reconstituted firm on Nidhi's admission.

58. Leena and Rohit are partners in a firm sharing profits in the ratio of 3:2. On 31st March, 2018, their Balance Sheet was as follows:

Balance Sheet of Leena and Rohit as at 31st March, 2018

LIABILITIES	AMOUNT (₹)	ASSETS		AMOUNT (₹)
Creditors	80,000	Cash		42,000
Bills Payable	38,000	Debtors	1,32,000	
General Reserve	50,000	Less: Provision		
Capitals		for doubtful debts	2,000	1,30,000
Leena – 1,60,000		Stock		1,46,000
Rohit - 1,40,000	3,00,000	Plant and Machinery		1,50,000
	4,68,000			4,68,000

On the above date Manoj was admitted as a new partner for 1/4th share in the profits of the firm on the following terms:

(i) Manoj brought proportionate capital. He also brought his share of goodwill premium of ₹80,000 in cash.

(ii) 10% of the general reserve was to be transferred to provision for doubtful debts.

(iii) Claim on account of workmen's compensation amounted to ₹40,000.

(iv) Stock was overvalued by ₹16,000.

(v) Leena, Rohit and Manoj will share future profits in the ratio of 5:3:2.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

59. Raman and Rohit were partners in a firm sharing profits and losses in the ratio of 2:1. On 31st March, 2018, their Balance Sheet was as follows:

Balance Sheet of Raman and Rohit as at 31st March, 2018

LIABILITIES	AMOUNT (₹)	ASSETS	AMOUNT (₹)
Creditors	1,60,000	Bank Balance	50,000
Workmen Compensation		Debtors 1,10,000	
Reserve	40,000	Less: Provision	
Capitals		for doubtful debts 7,000	1,03,000
Raman – 1,40,000		Stock	47,000
Rohit - 1,00,000	2,40,000	Plant and Machinery	1,75,000
		Furniture and Fixtures	65,000
	4,40,000		4,40,000

On the above date, Saloni was admitted in the partnership firm. Raman surrendered 2/5th of his share and Rohit surrendered 1/5th of his share in favour of Saloni. It was agreed that:

(i) Plant and machinery will be reduced by ₹35,000 and furniture and fixtures will be reduced to ₹58,500.

(ii) Provision for bad and doubtful debts will be increased by ₹3,000.

(iii) A claim for ₹16,000 for workmen's compensation was admitted.

(iv) A liability of ₹2,500 included in creditors is not likely to arise.

(v) Saloni will bring ₹42,000 as her share of goodwill premium and proportionate capital.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the reconstituted firm.

60. A and B were partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2018, was as follows:

Balance Sheet of A and B as at 31st March, 2018

LIABILITIES	AMOUNT (₹)	ASSETS	AMOUNT (₹)
Creditors	1,54,000	Cash	8,000
Workmen Compensation		Debtors 37,600	
Fund	16,000	Less: Provision	
Contingency Reserve	10,000	for doubtful debts 1,600	36,000
Capitals		Stock	60,000
A – 1,04,000		Prepaid Insurance	6,000
B - 52,000	1,56,000	Plant and Machinery	76,000
		Building	1,40,000
		Furniture	20,000
	3,46,000		3,46,000

C was admitted as a new partner and brought ₹64,000 as capital and ₹15,000 for his share of goodwill premium. The new profit sharing ratio was 5:3:2.On C's admission the following was agreed upon:

(i) Stock was to be depreciated by 5%.

(ii) Provision for doubtful debts was to be made at ₹2,000.

(iii) Furniture was to be depreciated by 10%.

(iv) Building was valued at ₹1,60,000.

(v) Capitals of A and B were to be adjusted on the basis of C's capitalby bringing or paying of cash as the case may be.

Prepare Revaluation Account, Partners' Capital Accounts and theBalance Sheet of reconstituted firm.