



# St. Michael Matriculation Higher Secondary School

Model Exam - 2023

12th Standard

Accountancy

Reg.No. :

Exam Time : 03:00:00 Hrs

1) From the following information find out the missing figure.

Closing Capital Rs. 5,00,000

Opening Capital Rs. 7,50,000

Drawings Rs. 3,75,000

Additional Capital Rs. 50,000

2) Mr. A started a business capital Rs. 2,50,000 on 1-4-2018. He withdrew Rs. 40,000. He sold his personal assets Rs. 25,000 the amount into the business on 31<sup>st</sup> March 2019. Total assets Rs. 1,05,000 You are required the profit or loss for 2018-19

3) From the following details, calculate the missing figure:

Particular	Rs
Capital as on 31 <sup>st</sup> December 2018	35,000
Capital as on 1 <sup>st</sup> January 2018	27,000
Goods taken for the personal use of the proprietor	?
Additional capital introduced during the year	2,500
Profit of the year	10,000

4) How will the following appear in the final Accounts?

Stock of sports material 1.1.2018 6,000

Sport materials Purchased during the year 17,000

Stock of sport materials 31.12.2018 1,200

5) How do you incorporate the following in the Tanjore Club Balance sheet for the year 31.3.99?

Medat distribution fund 98,400

Interest on the fund investment 28,900

Medals distributed 28,700

6) Suresh and Ramesh are partners in a firm with capitals of Rs. 3,00,000 and Rs. 4,00,000 respectively. They do not have a deed. Ramesh wants to share the profits in the ratio of capitals. State with reason whether the claim is valid

7) X and Y had capitals of Rs. 1,60,000 and 80,000 respectively on 1.1.2010. X introduced additional Capital Rs. 20,000 on 1.10.2010 and withdrew Rs.10,000 from his capital on 1.10.2010. Calculate interest on Capital @ 5% for the year 2010.

8) Arumugam and Shanmugam are the two partners sharing equally. Arumugam drew regularly Rs. 2,000 end of every month and draws Rs. 4,000 at the beginning of every month calculate interest of drawing @10%.

9) Kokila and Eswari are partners, Kokila draws 10,000 at the beginning of each half year. Interest on drawing is Chargeable @ 10%. Calculate interest on-drawing for the year ending 31<sup>st</sup> Dec.2 using average period.

- 10) A and B are partners. A draws Rs. 8,000 at the end of each quarter. Interest on drawings is chargeable @ 6% p.a. Calculate drawings for the year ending 31<sup>st</sup> December 2018 & Using average period.
- 11) Kannan is a partner who withdrew Rs. 60,000 during the year 2018. Interest on drawings is charged. Calculate interest on 31<sup>st</sup> December 2018.
- 12) Karthik and Sethu are partners. Net Profit Rs. 2,20,000. Karthik gets Commission of 10%. If net profit before charging a commission, Sethu gets a commission of 10%, on net profit after charging all Commission.
- 13) I and K partners capital Rs. 3,00,000 and Rs. 1,00,000 they earned profits of Rs. 50,000. Assuming normal rate of return, Calculate the value of Goodwill.
- 14) Kavitha and Radha are partners of a firm sharing profits and losses in the ratio of 4:3. They admit Deepa on 01.01.2022. Their balance sheet showed debit balance of profit and loss account being accumulated loss of Rs. 70,000 on the asset side sheet. Give the journal entry to transfer the accumulated loss on admission.
- 15) Raji, Mohana, Sonu were partners in a firm sharing profits in the ratio of 4:3:2. Mohana retired. Her share was taken over by Raji and Sonu. In which ratio will be profit or loss on revaluation of assets and liabilities on the retirement of Mohana be transferred to the capital accounts of the partners.
- 16) A, B and C are partners sharing profit and losses in the ratio of 3:2:1. C retires and his share is gained by A and B as 1/24 and 1/24 respectively. Find the new profit sharing of A, B.
- 17) P, Q and R are partners sharing profit in the ratio of 2:2:1. P retires and his share is entirely taken over by R. Find out the new profit ratio of Q, R.
- 18) P, Q and R are partners sharing profits and losses in the ratio 5:3:2 respectively. Q retires and his share of profit is taken over by P and R in the same profit sharing ratio. Calculate the new ratio.
- 19) A, B and C are partners sharing profit in the ratio of 1/2, 1/3, 1/6 respectively. C retires, and his share is taken over by A and B in the ratio of 2:1. Find out the new ratio.
- 20) A, B and C were partners in the ratio of 3:2:5. C retires on that date firm's goodwill is valued at Rs. 80,000. Necessary Journal entry for the goodwill at the time of retirement.
- 21) X, Y and Z were partners in the ratio 1/5, 1/3 and 7/15. Z retires and his share is taken over by X and Y in the ratio of 3:2. Find out the new ratio.
- 22) Radhika started a small bakery for providing healthy and good quality bakery products at reasonable prices on 1<sup>st</sup> January 2019 with a capital of Rs. 1,80,000. She appointed a ten-year-old boy as a sweeper. She withdrew Rs. 60,000 for household expenses. She introduced Rs. 20,000 as fresh capital. Her position of assets and liabilities as at 31<sup>st</sup> December, 2019 stood as follows.

	RS.
Cash in hand	70,000
Stock	80,000
Bills receivable	1,00,000
Debtors	1,50,000
Creditors	60,000
Bills payable	10,000

- 23) Calculate the profit from the following information

PARTICULARS	AMT(RS.)
Opening capital	1,60,000
Closing capital	1,80,000
Drawings	36,000
Additional capital	10,000

24) Calculate opening capital:

PARTICULARS	AMT(RS.)
Closing Capital	Rs. 1,63,800
Additional Capital	Rs. 42,300
Drawing:	25,200
Loss:	12,600

25) Calculate the missing figure:

PARTICULARS	AMT(RS.)
Drawing:	50,000
Addition Capital	10,000
Opening Capital	1,00,000
Profit	25,000

26) Joseph maintain books in single entry following details give for his book:

PARTICULARS	JANUARY	DECEMBER
Cash in hand	40,000	60,000
Cash at bank	20,000	40,000
Stock	2,40,000	2,40,000
Furniture	60,000	1,00,000
Debtors	2,00,000	2,50,000
Creditors	10,000	1,40,000

He has taken 40,000 from the business for personal Exp Depreciate furniture by 10% Prepare a Statement showing.

27) From the following information calculate the amount of subscription to be credited to the Income and Expenditure A/c of 2013-14.

Subscription received	50,000
Subscription outstanding 31.03.2013	20,000
Subscription outstanding 2013 -2014	6,000
Subscription recd. in advance 31.03.2013	8,000
Subscription recd. in advance 31.03.2014	9,000

Subscriptions of Rs. 9,000 is still in arrears for the year 2012- 13.

28) Prepare balance sheet of Cosmos club as on 31<sup>st</sup> March, 2014.

PARTICULARS	DEBIT	CREDIT
Tournament Fund	-	1,50,000
Tournament Fund Investment	1,50,000	
Income from Tournament Ftrnd	-	18,000
Investment		
Tournament Expenses	12,000	-

Interest accrued on Tournament Fund Investment Rs. 6,000.

29) From the following information calculate the amount of stationery to be shown Income and Expenditure A/c for March 2

Stock of stationery on 1.4.2013	Rs. 50,000
Stock of stationery on 31.03.2014	Rs. 40,000
Amount paid for stationery	Rs. 2,00,000
Creditors for stationery 1.4.2013	Rs. 20,000
Creditors for stationery 31.03.2014	Rs. 10,000

30) From the following particulars of Chennai Sports Club, prepare Receipts and Payment account for the year ended 31st M

PARTICULAR	RS.	PARTICULAR	RS.
Opening cash balance as on 1.4.2017	10,000	Subscriptions received	
Opening bank balance as on 1.4.2017	15,000	2016 - 17	4,500
Interest paid	5,000	2017 - 18	65,000
Telephone expenses	7,000	2018 - 19	5,000
Upkeep of grounds	22,500	Tournament expenses	12,500
Life membership fees received	5,500	Tournament fund receipts	15,000
Bats and balls purchased	13,000	Closing balance of cash (31.3.2018)	5,000
			<u>74,500</u>

31) Prince, Queen King had capital of Rs. 1,60,000, Rs. 1,20,000 and 80,000 respectively on 1.4.2010. Queen withdrawn Rs 30,9.2010. King introduced additional capital is 24,000 31.12.10. Calculate interest on capital @ 6% p.a. for 31.03.2011.

32) Interest on drawings :

Sundar and Shanmugam are two partners equally Sundar drew regularly Rs. 4,000 at end of every month. Shanmugam drew regularly beginning of every month. Calculate interest as their drawings @ 10%.

33) Priya and Kala are partners Priya draws Rs. 8,000 at end of each quarter. Interest on drawings @ 6% p.a. Kala draws Rs month, end of the month.

34) Arun and Arora were partner's ratio 5:3. Their fixed capitals as 1.4.2016 were Arun Rs. 60,000; Arora Rs. 80,000 Interest as drawings 15% p.a. profit for the year ended 31.3.2017 before all above adjustment was Rs. 12,600. Drawings 2,000, Arora 41,000 during the year. prepare profit and Loss Appropriation Account.

35) Write up the capital accounts and current accounts of the partners Kaviya and Dhivya from the following.

PARTICULAR	KAVIYA	DIRRYA
Capital as 1.4.04	50,000	40,000
Current A/c as 1.4.04	5,000 (Cr)	3,000(Dr)
Salary	15,000	4,000 .
Commission	5,000	4,000
Interest as capital	8%	8%
Drawings	10,000	8,000
Interest as Drawings	6%	6%
Share of profit	20,000	20,000

36) Distribution of profits Anita, Ramita were partners, Sharing profit and losses ratio of 7:3 their capital were 80,000 and 6 respectively.

(i) Interest on capital @ 10% p.a.

(ii) Interest on drawing @ 12% p.a.

(iii) Both to get a salary of 10,000 each per annum

(iv) Anita to get a commission of 10% on the net profit before charging such commission. The profit for the year 60,000. Dra Anita Rs. 12,000. Ramita Rs.8,000. Show Profit and Loss Appropriation Account and the Capital A/c

37) The Average profit expected to a firm (Rs. 68,000). Capital invested in the business to be Rs. 3,50,000 expected ratio of 12% remuneration of partners is estimated to be Rs. 8,000 for the year. Your are required to find out the value of goodwill two years purchase of super profits.

38) On 1<sup>st</sup> April,2017 firm had assets Rs. 75,000 including cash of Rs. 5,000.Partner's is Capital A/c shows Rs. 60,000 and contibuted the rest.Normal rate of return 20% Goodwill of the firm Rs. 24,000 at 4 years purchase of super profits. Find ou profit.

39) Average Profit of firm Rs. 1,00,000. Normal rate of return 10%. Find out thevalue of Goodwill by

(a) Capitalisation of Super profit Method

(b) Super profit method if the Goodwill is valued at 3 years purchase of super profit

The assets of business were Rs. 10,00,000 and its external liabilities Rs. 1,80,000.

40) A firm's is profit for last 5 years were Rs. 20,000; Rs. 30,000; Rs. 30,000; Rs. 40,000; Rs. 50,000 and Rs. 60,000.Calculate Goodwill as the basis of three years purchase of weighted average profit after using weight of 1, 2, 3, 4, 5 respectively.

41) The Average profit earned by the firm is Rs. 80,000 which includes under valuation of stock as an average basis the capi the business and normal rate of return is 8% Calculate the Goodwill of the firm in the basis of times the super profit.

42) A and B are partners showing profits ratio of 3: 2 'C' admit into partnership. C paying for premium Rs. 10,000 and for ca 1,00,000. No Goodwill a/c appears in the books. New profit sharing ratio 2:2:1 Pass journal entries.

43) Weighted Average: The following were the profit earned for past four years.

2007 - Rs. 60,000

2008 - Rs. 80,000

2009 - Rs. 1,00,000

2010 - Rs. 1,40,000

You are required to value goodwill on the basis of 3 years purchase of weighted average profit assigning weights 1, 2, 3, 4 r

44) Super Profit Method: The following are profits for 3 years.

I year - 36,000

II year - 40,000

III year - 44,000

The Capital investment of Rs. 1,20,000 rate of return @ 10% calculate value of goodwill basis of 3 years purchase of super

45) R and S are partners ratio of 5:1. They admit 'T' into the partnership for  $\frac{1}{3}$ rd share in the profits. It was agreed that R and S share profits equally. 'T' brought Rs. 1,00,000 as goodwill for his share of profit and Rs. 2,00,000 as his capital. Show the journal entry.

46) Anandan and Bhaskarall were partners in a firm sharing profit and loss in the ratio 3 : 2 Admit Chandran  $\frac{1}{3}$ rd share, sacrificing equally. calculate new profit ratio and sacrificing ratio.

47) Santhosh and jai are partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April 2022, they admitted Raj. On the date of Raj's admission, goodwill appeared in the books of the firm at Rs.30,000. By assuming fluctuating capital method, pass necessary journal entry if the partners decide to

(a) write off the entire amount of existing goodwill

(b) write off Rs.20,000 of the existing goodwill.

48) X, Y and Z are partners Sharing profits in the ratio 2:3:5. Goodwill appearing in the books at Rs. 50,000. X retires on the retirement goodwill is valued at Rs. 45000. Y and Z decided to share future profits equally. Pass the journal entries.

49) X, Y and Z are partners ratio 5:3:2 Goodwill not appear in the books of Rs. 1,00,000. X retires, Y and Z share of profit equally. You are required to make adjustment. Pass entry,

50) P, Q, R ratio is 2:3:5 Goodwill appears in their books at the value of Rs. 60,000; P retires at the time goodwill of Rs. 30,000. Pass necessary journal entries.

51) A, B and C were partners ratio 6:4:5. B retires new profit sharing ratio A and C 11:4. B's retirement value of goodwill is 1,00,000. Pass entry.

52) X, Y and Z are partners sharing ratio of 2:3:5. Value of the goodwill of Rs. 50,000. X retires, and that day the value of goodwill is 45,000. X and Z decided to share future profits equally. Pass the entry.

53) S, T and U were partners with firm sharing ratio of 1:2:2 on 15.2.2017. S died and new profit sharing ratio of T and U was 1:1. At the death the goodwill of the firm was valued at 60,000. Calculate gaining ratio. Pass the journal entry.

54) Calculate the missing information:

PARTICULARS	RS.
Closing capital	32,000
Drawings	4,800
Additional capital	8,000
Profit made during the year	9,600

55) Mrs. Geetha started business with Rs. 1,20,000 as capital on 1.4.2018. During the year she has withdrawn at the rate of 10% per month. She introduced Rs. 20,000 as additional capital. Her position on 31.3.2019 was as follows.

PARTICULARS	RS.
Bank balance	8,000
Stock	80,000
Sundry debtors	50,000
Furniture	2,500
Cash in hand	2,000
Sundry creditors	25,000
Expenses outstanding	1,000

She keeps her books under single entry system, determine profit or loss for the year 2018-19.

56) From the following find out credit sales.

<b>PARTICULARS</b>	<b>RS.</b>
Opening sundry debtors	50,000
Cash received from sundry debtors	80,000
Discount allowed to sundry debtors	2,000
Sales returns	5,000
Closing sundry debtors	75,000

57) From the following details, find out credit purchases:

<b>PARTICULARS</b>	<b>RS.</b>
Opening sundry creditors	75,000
Closing sundry creditors	90,000
Cash paid to sundry creditors	22,500
Discount received	15,000
Purchase returns	7,500

58) M/s Saniya sport equipment does not keep proper records. From the following information, find out profit or loss and also balance sheet for the year ended 31<sup>st</sup> December 2017.

<b>PARTICULARS</b>	<b>31.12.2016</b>	<b>31.12.2017</b>
	<b>RS.</b>	<b>RS.</b>
Cash in hand	6,000	24,000
Bank overdraft	30,000	-
Stock	50,000	80,000
Sundry creditors	26,000	40,000
Sundry debtors	60,000	1,40,000
Bills payable	6,000	12,000
Furniture	40,000	60,000
Bills receivable	8,000	28,000
Machinery	50,000	1,00,000
Investment	30,000	80,000

Drawings Rs. 10,000 per month for personal use, additional capital introduced during the year Rs. 2,00,000. A bad debts provision of 5% it to be made on debtors. Outstanding salary 2,400, prepaid insurance Rs. 700, depreciation charged on furniture per annum.

59) Compute the amount of total purchases and total sales of Mr. Amit from the following information for the year ending on 2018.

	<b>RS.</b>
Total debtors as on April 01, 2017	40,000
Total creditors as on April 01, 2017	50,000
Bills receivable as on April 01, 2017	30,000
Bills payable as on April 01, 2017	45,000
Discount received	5,000
Bad debts	2,000
Return inwards	4,000
Discount allowed	3,000
Cash sales	10,000
Cash purchases	8,000
Total debtors as on March 31, 2018	80,000
Cash received from debtors	1,00,000
Cash paid to creditors	80,000
Cash received against bills receivable	25,000
Payment made against bills receivable	40,000
Total creditors as on March 31, 2018	40,000
Bills payable as on March 31, 2018	50,000
Bills receivable as on March 31, 2018	35,000

60) From the following details of vijay who maintains incomplete records, prepare trading and profit and loss account for the March 2018 and a Balance sheet as on the date.

<b>PARTICULARS</b>	<b>AS ON 1.4.2017</b>	<b>AS ON 31.3.2018</b>
	<b>RS.</b>	<b>RS.</b>
Sundry Creditors	37,500	43,750
Furniture	2,500	2,500
Cash	6,250	10,000
Sundry debtors	62,500	87,500
Stock	25,000	12,500

Other details:

	<b>RS.</b>
Drawings	10,000
Discount received	3,750
Discount allowed	2,500
Cash received from sundry debtors	1,35,000
Cash paid to creditors	1,12,500
Sales returns	3,750
Purchase returns	1,250
Sundry expenses paid	8,750



61) From the Receipt and Payment Account given below, prepare the Income and Expenditure Account of clean Delhi club for March 31, 2017

RECEIPTS	RS	PAYMENTS	RS
To Balance b/d		By Salary	1,500
Cash in hand	3200	By Rent	800
To Subscriptions	22,500	By Electricity	3,500
To Entrance fees	1,250	By Taxes	1,700
To Donations	2,500	By Printing stationery	380
To Rent of hall	750	By Sundry expenses	920
To Sale of investment	3,000	By Books purchased	7,500
		By Fixed deposit with bank (on 31-3-2014)	5,000
		By Balance c/d	
		Cash in hand 400	
		Cash at bank 1,500	1,900
	33,200		33,200

Dr Receipt and Payment Account for the year ending March 31<sup>st</sup>,  
2017 Cr

62) From the following extract of Receipt and Payment Account and the additional information given below, compute the amount from subscriptions and show as how they would appear in the Income and Expenditure Account for the year ending March Balance sheet.

RECEIPTS	RS	PAYMENTS	RS
Subscription:			
2013-14	7,000		
2014-15	30,000		
2015-16	5,000	42,000	

Dr Receipt and Payment Account for the year  
ending March 31, 2015 Cr

**Additional Information:**

- (i) Subscriptions outstanding March 31, 2014 Rs. 8,500
- (ii) Total subscriptions outstanding March 31, 2015 Rs. 18,500
- (iii) Subscriptions received in advance as Rs. 4,000 on March 31, 2014.

63) From the following particulars of Chennai educational society, prepare Receipts and Payments Z account for the year ending December, 2018

<b>PARTICULARS</b>	<b>RS</b>	<b>PARTICULARS</b>	<b>RS</b>
Opening balance as on 1.1.2018	20,000	Lockers rent received	12,000
Investments made	80,000	Sale of furniture	5,000
Honorarium paid	3,000	General expenses	7,000
Donation received	80,000	Postage	1,000
Audit fees paid	2,000	Subscription receive	10,000

64) From the following Receipts and Payments Account of Trichy, Rotary club, prepare Income and Expenditure Account for 31.03.2019

<b>RECEIPTS</b>	<b>RS</b>	<b>PAYMENTS</b>	<b>RS</b>
To Opening Balance		By Furniture Purchased	10,000
Cash in hand	11,000	By Rent	2,800
To Sale of old newspaper	3,600	By Postage	1,700
To Member's Subscription	31,000	By General expenses	4,350
To Locker rent	8,000	By Printing and stationery	45,000
To Interest on investments	1,250	By Audit fees	5,000
To Sale of furniture	5,000	By Closing balance	
		Cash in hand	3,000

65) How will the following items appear in the final accounts of sports club.

<b>PARTICULARS</b>	<b>RS</b>
Stock of sports materials (1.4.2019)	3,000
Sports materials purchased during current year	9,000
Sale of old sports materials during current year	500
Stock of sports materials (31.3 .20 19)	4,000

66) How will the following appear in the final account of a club for the year 2017-2018?

<b>PARTICULARS</b>	<b>RS</b>
Prize fund on 1.4.2017	50,000
Prize fund investment on 1.4.2017	50,000
Interest received on prize fund investment	5,000
Prizes distributed	6,000
Donation received for prize fund	10,000

67) PARTICULARS	AMT(RS.)
Subscription received during 2013-14	50,000
Subscription outstanding on 31.03.13	20,000
Subscription outstanding for 2013-2014	6,000
Subscription received in Advance 31.3.13	8,000
Subscription received advance as 31.03.14	9,000

Subscription of Rs. 9000 is still in arrears for the year 2012-2013 prepare Income and expenditure Account for 2013 2014.

68) The following items relating to Tournament for the year 2000. Show how these items appeared in the Balance sheet.

SHEET	RS.
Tournament Fund 1.1.2000	4,00,000
Fund Investment 1.1.2000	3,90,000
Fund Bank Balance in 1.1.2000	10,000
Interest on investment received in 2000	45,000
Tournament entrance fee received	20,000
Tournament expenses	1,80,000
Cash received from Sale of investment at par	1,20,000

69) Find out the amount of salaries to be debited to income and expenditure account for 1999.

PARTICULARS	AMT(RS.)
Payment made for salaries during 1999	4,800
Outstanding salary as on 31.12.1998	2,000
Outstanding salary as on 31.12.99	3,200
Prepaid salary 31.12.98	1,200
Prepaid salary 31.12,99	1,600

70) Write up the capital and current accounts of the partners, Kannagi and vasugi from the following details.

PARTICULARS	KANNAGI RS.	VASUGI RS.
Capital on 1.4.2018	1,00,000	60,000
Current Alc on 1.4.2018	3,000(Dr)	2,000(Cr)
Drawing during 2018-19	8,000	5,000
Interest on capital	5,000	3,000
Interest in drawings	240	150
Share of profit 2018-19	12,000	10,000
Partner's salary	4,000	-

71) From the following information, prepare capital accounts of partners Manoj and Seran, when their capitals are fluctuating

PARTICULARS	MANOJ	SERAN
	RS.	RS.
Capital on 1 <sup>st</sup> January 2018 ( Cr. balance)	1,00,000	87,500
Drawings during 2018	20,000	17,500
Interest on drawings	500	250
Share of profit for 2018	10,500	8,250
Interest on capital	6,000	5,250
Salary	9,000	Nil
Commission	Nil	1250

72) From the following balance sheets of Subha and Sudha who share profits and losses equally. Calculate interest on capital for the year ending 31<sup>st</sup> December 2017.

LIABILITIES	RS.	ASSETS	RS.
Capital accounts:		Fixed assets	60,000
Subha	30,000	Current assets	20,000
Sudha	40,000		
P&L App A/C	10,000		
	80,000		80,000

Balance sheet as on 31st December 2017

Drawing of Subha and Sudha during the year were Rs.5,000 and Rs.7,000 respectively profit earned during the year was

73) Anusha and Barathi contribute Rs.2,00,000 and Rs.1,00,000 respectively as capital. Their respective share of profit is 3: before interest on capital for the year is Rs.27,000. Compute the amount of interest on capital in each of the following situations

- If the partnership deed is silent as to the interest on capital
- If interest on capital @ 3% is allowed as per the partnership deed
- If the partnership deed allows interest on capital @ 5% p.a.

74) Kala is a partner in a partnership firm. As per partnership deed, interest on drawings is charged at 12% p.a. During the year ending 31<sup>st</sup> December 2018. She drew as follows.

DATE	RS.
March 1	12,000
June 1	8,000
September 1	10,000
December 1	4,000

Calculate the amount of interest on drawings by using product method

75) Durga and Preethi entered into a partnership agreement on 1st April 2018, Durga contributing Rs.50,000 and Preethi Rs.40,000 capital. The agreement provided that:

- Profits and losses to be shared in the ratio 3:2 as between Durga and Preethi.
- Partners to be entitled to interest on capital @ 5% p.a.
- Interest on drawings to be charged Durga Rs.600 and Preethi Rs.900
- Durga to receive a salary Rs.10,000 for the year and
- Preethi to receive a commission of Rs.4,000 During the year, the firm made a profit of Rs.40,000 before adjustment of interest on capital and commission prepare the profit and loss appropriation account.

76) prepare Capital Account of Babu and Gopu. Capitals are fluctuating.

PARTICULARS	BABU	GOPU
Capital as on 1.4.13	60,000	40,000
Drawings	10,000	8,000
Interest on Drawing	1,000	800
Interest on Capital	5,000	4,000
Commission	8,000	-
Partners Salary	-	6,000
Share of Loss	20,000	10,000

77) A and R were partners sharing ratio of 7 : 3. Their Capitals were Rs.80,000 and Rs. 60,000 respectively.

(i) Interest on Capital at 10% p.a.

(ii) Interest on Drawings at 12% p.a.

(iii) A and R get a salary of Rs. 10,000 each p.a.

(iv) A to get a commission of 10% on net profit before charging such commission profit - before making above adjustment with Drawing of partner A Rs. 12,000 and R Rs. 8,000.

Show that Profit and Loss Appropriation Account

78) The profit and losses of a firm for the last four years were as follows:

2015: Rs.20,000; 2016; Rs. 25,000;

2017; Rs.3,000(loss) 2018; Rs.18,000

You are required to calculate the amount of goodwill on the basis of 5 years purchase of average profit of the last 4 years.

79) A partnership firm has decided to value its goodwill for the purpose of setting a retiring Partner. The profit of that firm for years were as follows:

2015 : Rs.20,000; 2016 : Rs.25,000; 2017; Rs.24,000 and 2018: Rs.23,000

The business was looked after by a partner. No remuneration was paid to him. The fair remuneration of the partner valued Rs. 3,000 per annum.

Find out the value of goodwill, if it is valued on the basis of three years purchase of the average profit of the last four years.

80) From the following information relating to Arul enterprises, calculate the value of goodwill on the basis of 2 years purchase average profits of 3 years.

(a) Profits for the years ending 31st December 2016, 2017, and 2018 were Rs. 23,000 Rs.22,000 and Rs. 25,000 respectively.

(b) A non-recurring income of Rs. 2,500 is included in the profits of the year 2016.

(c) The closing stock of the year 2017 was overvalued by Rs. 5,000.

81) For the purpose of admitting a new partner, a firm has decided to value its goodwill at 3 years purchase of the average profit of 4 years using weighted average method profits of the past 4 years and the respective weights are as follows.

Year	2015	2016	2017	2018
Profit	40,000	44,000	48,000	56,000
Weight	1	2	3	4

Compute the value of goodwill

82) From the following information, calculate the value of goodwill based on 3 years purchase of Super profit

(i) Capital employed: 1,00,000

(ii) Normal rate of return: 10%

(iii) Average profit of the business: 42,000

83) Calculate the value of goodwill at 5 years purchase of super profit from the following information

- (a) Capital employed: Rs. 60,000
- (b) Normal rate of profit: 20%
- (c) Net profit for 5 years

2014:Rs.1,00,000, 2015: Rs.50,000 2016: Rs.70,000; 2017: Rs.54,000 and 2018: Rs. 10,000

- (d) Fair remuneration to the partners 3,600 per annum

84) From the following information, compute the value of goodwill as per annuity method:

- (a) Capital employed: Rs.1,00,000
- (b) Normal rate of return: 15%
- (c) Profit of the years 2016, 2017 and 2018 were Rs.6,000, Rs.8,000 and Rs.20,000 respectively
- (d) The present value of annuity of n for 3 years at 10% is 2.4868

85) From the following information, find out the value of goodwill by capitalisation method:

- (a) Average profit = Rs. 60,000
- (b) Normal rate of return = 10%
- (c) Capital employed = Rs. 5,60,000

86) Calculate the value of Goodwill of the firm of 2 partners.

- a) At the 3 years purchase of average profit.
- b) At 3 years purchase of super profits.
- c) In the basis of capitalization of super profits.
- d) In the basis of capitalization of Average profits.

i) Average capital employed Rs. 7,00,000.

ii) Net trading result of the firm 2014 - Rs. 1,47,600;

2015 loss Rs. 1,48,100; profit for 2016 - Rs. 4,48,700.

iii) Rate of interest on capital @ 18%

iv) Remuneration Rs. 500/- per month

87) Sridevi and Santhiya were partners sharing profit and loss in the ratio of 3:2. They decided to admit Fathima into the partnership. They revalued 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.

88) Ragu and Sam are partners in a firm sharing profits and losses in the ratio of 3:2. Their balance sheet as on 31<sup>st</sup> March, follows:

LIABILITIES	RS.	RS.	ASSETS	RS.	RS.
Capital Account:			Machinery		30,000
Ragu	40,000		Furniture		10,000
Sam	30,000	70,000	Stock		10,000
Sundry creditors		30,000	Debtors	21,000	
			Less: Provision for doubtful debts	1,000	20,000
			Bank		30,000
		1,00,000			1,00,000

Prakash is admitted on 1.4.2017 subject is the following conditions:

- He has to bring a capital of Rs. 24,000
- Machinery is valued at Rs.4,000
- Furniture to be depreciated by Rs.3,000
- Provision for doubtful debts should be increased to Rs. 3,000
- Unrecorded trade receivables of Rs.1,000 would be brought into books now.

Pass necessary journal entries and prepare revaluation account and capital account of partners after admission.

89) Valluvan and Kamban were partners sharing profits and losses as 60% to valluvan and 40% Kamban. Their balance sheet 1<sup>st</sup> January, 2019 stood as under:

LIABILITIES	RS.	RS.	ASSETS	RS.	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 and machinery		80,000
Kamban	80,000	1,70,000	Land and Buildings		1,20,000
		3,00,000			3,00,000

The partners agreed to admit Elangovan into the firm subject to revaluation of the following items:

- Stock was to be reduced by Rs. 4,000
- Land and Buildings were to be valued at Rs. 1,60,000
- A provision of  $2\left(\frac{1}{2}\right)\%$  was to be created for doubtful debtors.
- 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 adjustment

90) Muthu and Siva were partners in a firm sharing profits in the ratio of 7:3, Bala was admitted on 1/5th shares in the profit would be their New Profit Ratio and their sacrificing ratio in each of the following cases:

- if Bala acquired his shares equally from the old partners.
- If he acquired it as 3/10th from Muthu and 1/10th from Siva.
- If he acquires his share entirely from Muthu.

91) Sridevi and Cynthia were partners sharing profit and losses in the ratio 3: 2. They decided to admit Fathima into the partnership. They revalued their assets and liabilities as indicated here under:

- To bring into record investment of Rs. 18,000 which had not so far been recorded in the books of the firm.
- To depreciate stock, furniture and machinery by Rs. 18,000 ; Rs. 6,000 and Rs. 30,000 respectively.
- To provide for workmen's compensation of Rs. 24,000 .

92) Raman and Laxmanan were partners sharing profits and losses in the ratio of 4:3. In view of Velan's admission, the decision to revalue their assets and liabilities as indicated below :

- To increase the value of buildings by Rs. 60,000
- Provision for doubtful debts to be decreased by Rs. 800
- To decrease machinery by Rs. 16,000, furniture by Rs. 4,000 and stock by Rs. 12,000.
- A provision for outstanding liabilities was to be created for Rs.800. Show the revaluation account.

93) Priya, Latha, and Kalai are partners sharing profits and losses in the ratio of 3:2:1 respectively. Priya died on 31<sup>st</sup> Decem amount due to her showed a credit balance of Rs.1,20,000. Pass journal entries if

- The amount due is paid off immediately,
- The amount due is not paid immediately,
- Rs.80,000 is paid and the balance in future.

94) Mukil, Mohit and Sonu are partners sharing profit in the ratio 3:2: 1. Mukil retires from the partnership.

In order to settle his claim, the following revaluation of assets and liabilities was agreed upon:

- The value of Machinery is increased by Rs. 25,000.
- The value of Investment-is-increased by Rs 2,000.
- A Provision for outstanding bill standing in the books at Rs.1,000 is now not required.
- The value of Land and Building is decreased by Rs.12,000.

Give journal entries and prepare Revaluation account

95) Selvam, Saravanan and Santhosh were partners of a firm sharing profits and losses in the ratio of 3: 2 : 1. Set out below balance sheet as on 31<sup>t</sup> December 2018.

LIABILITIES	RS.	RS.	ASSETS	RS.
Bills payable		15,000	Cash in hand	3,000
Sundry creditors		25,000	Cash at bank	35,000
Capital Accounts			Bill receivable	11,000
Selvam	80,000		Book debts	18,000
Sarvanan	50,000		Stock	36,000
Santhosh	40,000	1,70,000	Furniture	7,000
Profit and Loss A/c		30,000	Plant & Machinery	50,000
			Buildings	80,000
		2,40,000		2,40,000

Selvam retired from the partnership on 1<sup>st</sup> January 2019 on the following terms:

- Goodwill of the firm was to be valued at Rs.30,000
- Assets are to be valued as under stock Rs.30,000 plant and machinery Rs.40,000; Buildings Rs.1,00,000
- A provision for doubtful debts be created at Rs.1,000
- Rs.21,500 was to be paid to Selvam immediately and the balance was transferred to his loan account.

Show revaluation account, capital accounts, bank account and the balance sheet of the reconstituted Partnership.



96) A, B, and C are partners in firm sharing profits and losses equally. Their balance sheet as on 31<sup>st</sup> March 2018 is as follows

LIABILITIES	RS	RS	ASSETS	RS	RS
Capital accounts			Office equipment		70,000
A	80,000		Machinery		1,40,000
B	60,000		Sundry debtors	52,000	
C	1,00,000	2,40,000	Less: Provision for doubtful debts	2,000	50,000
Sundry creditors		1,20,000			
			Stock		60,000
			Cash at bank		40,000
		3,60,000			3,60,000

'C' Retired on 31st March 2018 Subject to the following conditions

- (i) Machinery is valued at Rs.1,30,000
- (ii) Value of office equipment is brought down by Rs. 2,000
- (iii) Provision for doubtful debts should be increased to Rs.3,000
- (iv) Investment of Rs..25,000 not recorded in the books is to be recorded now. Pass necessary journal entries and prepare re-valuation account and capital account of partners

"SUCCESS IS THE SUM OF SMALL EFFORTS, REPEATED DAY IN AND DAY OUT" - ROBERT COLLIER

- S S - 880882272

www.Padasalai.Net