

K V MATRICULATION HIGHER SECONDARY SCHOOL**IMPORTANT QUESTIONS & SUMS FOR QUARTERLY EXAM-2024**

12th Standard

Accountancy

Date : 27-09-24

Exam Time : 03:00 Hrs

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2 Marks

29 x 2 = 58

- 1) From the following particulars ascertain profit or loss:

	RS.
Capital as on 1 st April 2018	1,60,000
Capital as on 31 st March, 2019	1,50,000
Additional capital introduced during the year	25,000
Drawings made during the year	30,000

- 2) From the following particulars ascertain profit or loss:

	RS.
Capital at the beginning of the year (1 st April, 2016)	2,00,000
Capital at the end of the year (31 st March, 2017)	3,50,000
Additional capital introduced during the year	70,000
Drawings during the year	40,000

- 3) State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.

- 4) What is meant by incomplete records?

- 5) What is a statement of affairs?

- 6) What is legacy?

- 7) Write a short note on life membership fees.

- 8) How will the following items appear in the final accounts of a sports club?

PARTICULARS	RS.
Stock of sports materials (01.04.2018)	3,000
Sports materials purchased during current year	9,000
Sale of old sport materials during current year	500
Stock of sports materials (31.03.2019)	4,000

- 9) Give four examples for capital receipts of not-for-profit organisation.

- 10) Give four examples for revenue receipts of not-for-profit organisation.

- 11) Show how the following items appear in the income and expenditure account of Sirkazhi Singers Association?

	RS.
Stock of stationery on 1.4.2018	2,600
Purchase of stationery during the year	6,500
Stock of stationery on 31.3.2018	2,200

- 12) Mannan and Ramesh share profits and losses in the ratio of 3:1. The capital on 1st April 2017 was Rs. 80,000 for Mannan and Rs. 60,000 for Ramesh and their current accounts show a credit balance of Rs. 10,000 and Rs. 5,000 respectively. Calculate interest on capital at 5% p.a. for the year ending 31st March 2018 and show the journal entries.
- 13) Ram and Shyam were partners. Ram withdrew Rs. 18,000 at the beginning of each half year. Interest on drawings is chargeable @ 10% p.a. Calculate interest on the drawings for the year ending 31st December 2018 using average period.
- 14) Rajan is a partner who withdrew Rs. 30,000 during the year 2018. Interest on drawings is charged at 10% per annum. Calculate interest on drawings on 31st December, 2018.
- 15) What is the journal entry to be passed for providing interest on capital to a partner?
- 16) The following are the profits of a firm in the last five years:
2014: Rs. 10,000; 2015: Rs. 11,000; 2016: Rs. 12,000; 2017: Rs. 13,000 and 2018: Rs. 14,000
Calculate the value of goodwill at 2 years purchase of average profit of five years.
- 17) 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. 4,50,000
- 18) The following are the profits of a firm in the last five years:
2014: Rs. 4,000; 2015: Rs. 3,000; 2016: Rs. 5,000; 2017: Rs. 4,500 and 2018: Rs. 3,500
Calculate the value of goodwill at 3 years purchase of average profits of five years.
- 19) What is acquired goodwill?
- 20) What is super profit?
- 21) State any two circumstances under which goodwill of a partnership firm is valued.
- 22) Anbu and Raju are partners, sharing profits in the ratio of 3:2. Akshai is admitted as a partner. The new profit sharing ratio among Anbu, Raju and Akshai is 5:3:2. Find out the sacrificing ratio.
- 23) Anil, Sunil and Hari are partners in a firm sharing profits in the ratio of 4 : 3 : 3. They admit Raja for 20% profit. Calculate the new profit sharing ratio and sacrificing ratio.
- 24) What is sacrificing ratio?
- 25) Give the journal entry for writing off existing goodwill at the time of admission of a new partner.
- 26) State whether the following will be debited or credited in the revaluation account.
(a) Depreciation on assets
(b) Unrecorded liability
(c) Provision for outstanding expenses
(d) Appreciation of assets
- 27) Raja, Roja and Pooja are partners sharing profits in the ratio of 4:5:3. Roja retires from the firm. Calculate the new profit sharing ratio and gaining ratio.
- 28) Naresh, Mani and Muthu are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31st March 2019, Muthu retires from the firm. On the date of Muthu's retirement, goodwill appeared in the books of the firm at Rs. 40,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to
(a) write off the entire amount of existing goodwill
(b) write off half of the amount of existing goodwill.
- 29) Mani, Gani and Soni are partners sharing the profits and losses in the ratio of 4:5:6. Mani retires from the firm. Calculate the new profit sharing ratio and gaining ratio.

3 Marks:

28 x 3 = 84

- 30) David does not keep proper books of accounts. Following details are given from his records

PARTICULARS	1.4.2018	31.3.2019
	RS.	RS.
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture	33,000	45,000

During the year he introduced further capital of Rs. 45,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.

- 31) From the following details, calculate the missing figure

	RS.
Closing capital as on 31.3.2019	1,90,000
Additional capital introduced during the year	50,000
Drawings during the year	30,000
Opening capital on 1.4.2018	?
Loss for the year ending 31.3.2019	40,000

- 32) On 1st April 2017, Ganesh started his business with a capital of Rs.75,000. He did not maintain proper book of accounts. Following particulars are available from his books as on 31.03.2018

PARTICULARS	RS	PARTICULARS	RS
Cash	5,000	Debtors	16,000
Stock of goods	18,000	Creditors	9,000
Bills receivable	7,000	Cash at bank	24,000
Furniture	3,000	Bills payable	6,000
Land and Buildings	30,000		

During the year he withdrew Rs. 15,000 for his personal use. He introduced further capital of Rs. 20,000 during the year. Calculate his profit or loss.

- 33) From the following particulars calculate total purchases

PARTICULARS	RS
Sundry creditors on 1 st April, 2017	75,000
Bills payable on 1 st April, 2017	60,000
Paid cash to creditors	3,70,000
Paid for bills payable	1,00,000
Purchases returns	15,000
Cash purchases	3,20,000
Creditors on 31 st March, 2018	50,000
Bills payable on 31 st March, 2018	80,000

- 34) From the following particulars, calculate total sales.

PARTICULARS	RS
Debtors on 1 st April 2017	1,50,000
Bills receivable on 1 st April 2017	40,000
Cash received from debtors	3,90,000
Cash received for bills receivable	90,000
Bills receivable dishonoured	10,000
Sales return	40,000
Bills receivable on 31 st March, 2018	30,000
Sundry debtors on 31 st March, 2018	1,30,000
Cash sales	2,00,000

- 35) What are the features of incomplete records?

- 36) What are the limitations of incomplete records?
- 37) From the following particulars of Tamil Educational Society, prepare Receipts and Payments account for the year ended 31st March, 2019.

PARTICULARS	RS.	PARTICULARS	RS.
Opening cash balance as on 1.4.2018	18,000	Building purchased	2,10,000
Rent paid	6,000	Staff salary	55,000
Scholarship given	15,200	Subscription received	2,65,000
Entrance fees received	18,500		

- 38) How the following items will appear in the final accounts of a club for the year ending 31st March, 2019?

RECEIPTS	RS.	RS.	PAYMENTS	RS.
To				
Subscription				
2017-2018	5,000			
2018-2019	48,000			
2019-2020	3,000	56,000		

Dr. Receipts and Payments Account for the year ended 31st March, 2019 Cr.

There are 300 members in the club each paying an annual subscription of Rs. 200 per annum. Subscription still outstanding for the year 2017- 2018 is Rs.1,000.

- 39) What is income and expenditure account?
- 40) How the following items are dealt with in the final accounts of not-for-profit organisation?
- Sale of sports materials
 - Life membership fees
 - Tournament fund
- 41) How will the following appear in the final accounts of Vedaranyam Sports club?

	RS.
Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

- 42) From the following balance sheets of Subha and Sudha who share profits and losses equally, calculate interest on capital at 6% p.a. for the year ending 31st December 2017.

LIABILITIES	RS.	ASSETS	RS.
Capital accounts:		Fixed assets	30,000
Subha	15,000	Current assets	20,000
Sudha	20,000		
	15,000		
	50,000		50,000

Balance sheet as on 31st December 2017

Drawings of Subha and Sudha during the year were Rs. 2,500 and Rs. 3,500 respectively. Profit earned during the year was Rs. 15,000.

- 43) A and B contribute Rs. 4,00,000 and Rs. 2,00,000 respectively as capital. Their respective share of profit is 3:2 and the profit 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.

- 44) Arul is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 12% p.a. During the year ended 31st December 2018 he drew as follows:

DATE	RS.
March 1	3,000
June 1	3,000
September 1	3,000
December 1	3,000

Calculate the amount of interest on drawings.

- 45) Anbu is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 12% p.a. During the year ended 31st December 2018 he drew as follows:

DATE	RS
March 1	6,000
June 1	4,000
September 1	5,000
December 1	2,000

Calculate the amount of interest on drawings by using product method.

- 46) Sibi and Manoj are partners in a firm. Sibi is to get a commission of 20% of net profit before charging any commission. Manoj is to get a commission of 20% on net profit after charging all commission. Net profit for the year ended 31st December 2018 before charging any commission was Rs. 60,000. Find the commission of Sibi and Manoj. Also show the distribution of profit.

- 47) John is a partner in a firm. He withdraws Rs.1,000 p.m. regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period, if he draws
- at the beginning of every month
 - in the middle of every month
 - at the end of every month

- 48) State the features of partnership.

- 49) State any six contents of a partnership deed.

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

- Profits for the years ending 31st December 2016, 2017 and 2018 were Rs. 46,000, Rs. 44,000 and Rs. 50,000 respectively.
- A non-recurring income of Rs. 5,000 is included in the profits of the year 2016.
- The closing stock of the year 2017 was overvalued by Rs. 10,000.

- 51) The following particulars are available in respect of a business carried on by a partnership firm:

- Profits earned: 2016: Rs. 30,000; 2017: Rs. 29,000 and 2018: Rs. 32,000.
- Profit of 2016 includes a non-recurring income of Rs. 3,000.
- Profit of 2017 is reduced by Rs. 2,000 due to stock destroyed by fire.
- The stock is not insured. But, it is decided to insure the stock in future. The insurance premium is estimated at Rs. 5,600 per annum.

You are required to calculate the value of goodwill on the basis of 2 years purchase of average profits of the last three years.

- 52) Rajesh and Ramesh are partners sharing profits in the ratio 3:2. Raman is admitted as a new partner and the new profit sharing ratio is decided as 5:3:2. The following revaluations are made. Pass journal entries and prepare revaluation account.

- The value of building is increased by Rs. 15,000.
- The value of the machinery is decreased by Rs. 4,000.
- Provision for doubtful debt is made for Rs. 1,000.

- 53) Sathish and Sudhan are partners in a firm sharing profits and losses in the ratio of 4:3. On 1st April 2018, they admitted Sasi as a partner. On the date of Sasi's admission, goodwill appeared in the books of the firm at Rs. 35,000. By assuming fluctuating capital account, pass the necessary journal entry if the partners decide to
- write off the entire amount of existing goodwill
 - write off Rs.21,000 of the existing goodwill
- 54) Write a short note on accounting treatment of goodwill.
- 55) Justina, Navi and Rithika are partners sharing profits and losses equally. On 31.3.2019, Rithika retired from the partnership firm. Profits of the preceding years is as follows:
2016: Rs. 5,000; 2017: Rs. 10,000 and 2018: Rs. 30,000
Find out the share of profit of Ritika for the year 2019 till the date of retirement if
- Profit is to be distributed on the basis of the previous year's profit
 - Profit is to be distributed on the basis of the average profit of the past 3 years
- Also pass necessary journal entries by assuming that partners' capitals are fluctuating. Accountancy
- 56) Kavitha, Kumudha and Lalitha are partners sharing profits and losses in the ratio of 5 : 3 : 3 respectively. Kumudha retires from the firm on 31st December, 2018. On the date of retirement, her capital account shows a credit balance of Rs. 2,00,000. Pass journal entries if:
- The amount due is paid off immediately by cheque.
 - The amount due is not paid immediately.
 - Rs. 70,000 is paid immediately by cheque
- 57) Rathna, Baskar and Ibrahim are partners sharing profits and losses in the ratio of 2:3:4 respectively. Rathna died on 31st December, 2018. Final amount due to her showed a credit balance of Rs. 1,00,000. Pass journal entries if,
- The amount due is paid off immediately by cheque.
 - The amount due is not paid immediately.
 - Rs. 60,000 is paid immediately by cheque.

5 Marks

38 x 5 = 190

- 58) Ahmed does not keep proper books of accounts. Find the profit or loss made by him for the year ending 31st March, 2018.

PARTICULARS	1.4.2017	31.3.2018
	RS	RS
Bank balance	14,000 (Cr.)	18,000 (Dr.)
Cash in hand	800	1,500
Stock	12,000	16,000
Debtors	34,000	30,000
Plant	80,000	80,000
80,000	40,000	40,000
Creditors	60,000	72,000

Ahmed had withdrawn Rs. 40,000 for his personal use. He had introduced Rs.16,000 as capital for expansion of his business. A provision of 5% on debtors is to be made. Plant is to be depreciated at 10%.

- 59) State the differences between double entry system and incomplete records.
- 60) Differentiate between statement of affairs and balance sheet.

- 61) Raju does not keep proper books of accounts. Following details are taken from his records.

PARTICULARS	1.1.2018	31.12.2018
	RS.	RS.
Cash at bank	80,000	90,000
Stock of goods	1,80,000	1,40,000
Debtors	90,000	2,00,000
Sundry creditors	1,30,000	1,95,000
Bank Loan	60,000	60,000
Bills payable	80,000	45,000
Plant and machinery	1,70,000	1,70,000

During the year he introduced further capital of Rs. 50,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information

- 62) Ananth does not keep his books under double entry system. Find the profit or loss made by him for the year ending 31st March, 2019.

PARTICULARS	31.3.2018	31.3.2019
	RS.	RS.
Cash at Bank	5,000 (Dr.)	60,000 (Cr.)
Cash in hand	3,000	4,500
Stock of goods	35,000	45,000
Sundry Debtors	1,00,000	90,000
Plant and Machinery	80,000	80,000
Land and Buildings	1,40,000	1,40,000
Sundry Creditors	1,70,000	1,30,000

Ananth had withdrawn Rs. 60,000 for his personal use. He had introduced Rs. 17,000 as capital for expansion of his business. Create a provision of 5% on debtors. Plant and machinery is to be depreciated at 10%.

- 63) From the following particulars of Chennai Sports Club, prepare Receipts and Payments account for the year ended 31st March, 2018.

PARTICULARS	RS.	PARTICULARS	RS.	RS.
Opening cash balance as on 1.4.2017	10,000	Subscriptions received		
Opening bank balance as on 1.4.2017	15,000	2016 - 2017	4,500	
Interest paid	5,000	2017 - 2018	65,000	
Depreciation	7,000	2018 - 2019	5,000	74,500
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		5,000
		(31.3.2018)		

- 64) From the following particulars of Poompohar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2019.

PARTICULARS	RS.	PARTICULARS	RS.
Opening cash in hand as on 1.4.2018	5,000	Subscriptions received	20,000
Bank overdraft as on 1.4.2018	4,000	Repairs and renewals	2,500
Printing and stationery	1,500	Conveyance paid	2,750
Interest paid	3,250	Books purchased	10,000
Sale of investments	1,000	Insurance premium paid	4,000
Purchase of refreshments	1,500	Sundry receipts	750
Outstanding salary	2,000	Government grants received	6,000
Endowment fund receipts	2,000	Sale of refreshments	1,500
Lighting charges	1,300	Depreciation on buildings	2,000
		Cash at bank on 31.03.2019	2,000

- 65) From the following particulars of Vellore Recreation Club, prepare Receipts and Payments account for the year ended 31st March, 2017.

PARTICULARS	RS.	PARTICULARS	RS.
Opening cash balance as on 1.4.2016	3,000	Receipts from entertainment	20,000
Opening bank balance as on 1.4.2016	12,000	Admission fees received	1,000
Furniture purchased	11,000	Municipal taxes	22,000
Sports equipment purchased	11,000	Expenses of charity show	2,000
Donation received for pavilion	8,000	Billiards table purchased	15,000
Sale of old tennis balls	1,500	Construction of new tennis court	18,000
Newspapers bought	500	Receipts from charity show	2,500
Travelling expenses	4,500	Closing balance of cash in hand	8,000

- 66) From the following Receipts and Payment Account of Trichy Recreation Club, prepare Income and Expenditure Account for the year ended 31.03.2018.d

RECEIPTS	RS.	PAYMENTS	RS.
To Opening balance		By Furniture purchased	10,000
Cash in hand	11,000	By Rent	2,800
To Dividend received	27,600	By Secretary's honorarium	15,000
To Sale of old newspaper	3,000	By Postage	1,700
To Members' 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 (Book value Rs. 4,400)	5,000	By Closing balance Cash in hand	3,000
	86,850		86,850

- 67) From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March, 2017, prepare Income and Expenditure Account for the year ending 31st March, 2017 and the Balance sheet as on that date.

In the books of Friends Football Club

RECEIPTS	RS.	RS.	PAYMENTS	RS.	RS.
To Balance b/d			By Furniture		7,000
Cash	1,000		By Sports materials purchased		800
Bank	10,000	11,000	By Special dinner expenses		1,500
To Subscriptions		5,000	By Electricity charges		900
To Legacies		6,000	By Balance c/d		
To Collection for special dinner		2,000	Cash in hand	1,800	
		24,000	Cash at bank	12,000	13,800
					24,000

Dr. Receipts and Payments Account for the year ended 31st March, 2017 Cr.

Additional information:

- The club had furniture of Rs. 12,000 on 1st April 2016. Ignore depreciation on furniture.
- Subscription outstanding for 2016 - 2017 Rs. 600.
- Stock of sports materials on 31.03.2017 Rs. 100.
- Capital fund as on 1st April 2016 was Rs. 23,000.

- 68) Following is the Receipts and Payments Account of Salem Recreation Club for the year ended 31st March, 2019

In the books of Salem Recreation Club Receipts and Payments Account for the year ended 31st March, 2019

RECEIPTS	RS.	RS.	PAYMENTS	RS.
To Balance b/d:			By Furniture	15,000
Cash in hand		9,000	By Stationery	2,400
To Subscriptions			By Investment	12,500
2018 – 2019	12,500		By Postage	1,000
2019 – 2020	400	12,900	By Balance c/d:	
To Proceeds from entertainment		12,000	Cash in hand	3,500
To Sundry receipts		500		
		34,400		34,400

Dr.

Cr.

Additional information: (i) There are 450 members each paying annual subscription of Rs. 30.

(ii) Stock of stationery on 31st March, 2018 Rs. 300 and on March 31, 2019 Rs. 500.

(iii) Capital fund as on 1st April 2018 was Rs. 9,300.

Prepare income and expenditure account for the year ended 31st March, 2019 and the balance sheet as on that date.

- 69) From the following Receipts and Payments account of Coimbatore Cricket Club for the year ending 31st March 2016, prepare income and expenditure account for the year ending 31st March, 2016 and a balance sheet as on that date.

RECEIPTS	RS.	PAYMENTS	RS.
To Balance b/d:		By Maintenance	5,000
Cash at bank	8,000	By Furniture	15,000
To Subscriptions	11,000	By Tournament expenses	1,400
To Sale of old bats and balls	100	By Secretary's honorarium	4,500
To Subscription for tournament	2,000	By Bats and balls	7,400
To Legacies	20,000	By Balance c/d:	
		Cash at bank	7,800
	41,100		41,100

In the books of Coimbatore Cricket Club Receipts and Payments Account for the year ending 31st March, 2016

Additional information:

On 1st April, 2015 the club had stock of balls and bats Rs. 3,000 and an advance subscription of Rs. 500. Surplus on account of tournament should be kept in reserve for permanent pavilion. Subscription due on 31.03.2016 was Rs. 2,000. Stock of bats and balls on 31.3.2016 was Rs. 1,000.

- 70) State the differences between Receipts and Payments Account and Income and Expenditure Account

- 71) A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?

(i) A has contributed maximum capital. He demands interest on capital at 12% per annum.

(ii) B has withdrawn Rs.1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.

(iii) Loan advanced by C to the firm is Rs. 10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.

(iv) D demands salary at the rate of Rs. 5,000 per month as he spends full time for the business. B and C do not agree with this.

(v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

- 72) From the following information, prepare capital accounts of partners Shanthi and Sumathi, when their capitals are fixed.

PARTICULARS	SHANTHI RS.	SUMATHI RS.
Capital on 1 st January 2	1,00,000	80,000
Current account on 1 st January 2018 (Cr.)	5,000	3,000
Additional capital introduced on 1 st June 2018	10,000	20,000
Drawings during 2018	20,000	13,000
Interest on drawings	500	300
Share of profit for 20	10,000	8,000
Interest on capital	6,300	5,400
Salary	9,000	Nil
Commission	Nil	1,200

- 73) Bragathish and Naresh are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital accounts of partners.

PARTICULARS	BRAGATHISH RS.	NARESH RS.
Capital on 1 st April 2018	4,00,000	6,00,000
Current account on 1 st April 2018	20,000 (Cr.)	15,000 (Dr.)
Additional capital introduced during the	50,000	Nil
Drawings made during the year	45,000	60,000
Interest on drawings	2,000	3,000
Share of profit for the year	80,000	1,20,000
Interest on capital	20,000	30,000
Commission	17,000	Nil
Salary	Nil	38,000

- 74) From the following information, prepare capital accounts of partners Mannan and Sevagan, when their capitals are fluctuating.

PARTICULARS	MANNAN RS.	SEVAGAN RS.
Capital on 1 st January 2018 (Cr. balance)	2,00,000	1,75,000
Drawings during 2018	40,000	35,000
Interest on drawings	1,000	500
Share of profit for 2018	21,000	16,500
Interest on capital	12,000	10,500
Salary	18,000	Nil
Commission	Nil	2,500

- 75) Arulappan and Nallasamy are partners in a firm sharing profits and losses in the ratio of 4:1. On 1st January 2018, their capitals were Rs. 20,000 and Rs. 10,000 respectively. The partnership deed specifies the following:

(a) Interest on capital is to be allowed at 5% per annum.

(b) Interest on drawings charged to Arulappan and Nallasamy are Rs. 200 and Rs. 300 respectively.

(c) The net profit of the firm before considering interest on capital and interest on drawings amounted to Rs. 18,000.

Give necessary journal entries and prepare Profit and loss appropriation account for the year ending 31st December 2018. Assume that the capitals are fluctuating.

- 76) Durai and Velan entered into a partnership agreement on 1st April 2018, Durai contributing Rs. 25,000 and Velan Rs. 30,000 as capital. The agreement provided that:

(a) Profits and losses to be shared in the ratio 2:3 as between Durai and Velan.

(b) Partners to be entitled to interest on capital @ 5% p.a.

(c) Interest on drawings to be charged Durai: Rs. 300 Velan: Rs. 450

(d) Durai to receive a salary of Rs. 5,000 for the year, and

(e) Velan to receive a commission of Rs. 2,000

During the year, the firm made a profit of Rs. 20,000 before adjustment of interest, salary and commission. Prepare the Profit and loss appropriation account.

- 77) Richard and Rizwan started a business on 1st January 2018 with capitals of Rs. 3,00,000 and Rs. 2,00,000 respectively. According to the Partnership Deed
- (a) Interest on capital is to be provided @ 6% p.a.
 - (b) Rizwan is to get salary of Rs. 50,000 per annum.
 - (c) Richard is to get 10% commission on profit (after interest on capital and salary to Rizwan) after charging such commission.
 - (d) Profit-sharing ratio between the two partners is 3:2.
- During the year, the firm earned a profit of Rs. 3,00,000.
- Prepare profit and loss appropriation account. The firm closes its accounts on 31st December every year.
- 78) State the differences between fixed capital method and fluctuating capital method.
- 79) Write a brief note on the applications of the provisions of the Indian Partnership Act, 1932 in the absence of partnership deed.
- 80) Antony and Ranjith started a business on 1st April 2018 with capitals of Rs. 4,00,000 and Rs. 3,00,000 respectively. According to the Partnership Deed, Antony is to get salary of Rs. 90,000 per annum, Ranjith is to get 25% commission on profit after allowing salary to Antony and interest on capital @ 5% p.a. but after charging such commission. Profit-sharing ratio between the two partners is 1:1. During the year, the firm earned a profit of Rs. 3,65,000.
- Prepare profit and loss appropriation account. The firm closes its accounts on 31st March every year.
- 81) From the following information, calculate the value of goodwill based on 3 years purchase of super profit
- (i) Capital employed: Rs. 2,00,000
 - (ii) Normal rate of return: 15%
 - (iii) Average profit of the business: Rs. 42,000
- 82) Calculate the value of goodwill at 5 years purchase of super profit from the following information:
- (a) Capital employed: Rs. 1,20,000
 - (b) Normal rate of profit: 20%
 - (c) Net profit for 5 years:
2014: Rs. 30,000; 2015: Rs. 32,000; 2016: Rs. 35,000; 2017: Rs. 37,000 and 2018: Rs. 40,000
 - (d) Fair remuneration to the partners Rs. 2,800 per annum.
- 83) From the following information, compute the value of goodwill as per annuity method:
- (a) Capital employed: Rs. 50,000
 - (b) Normal rate of return: 10%
 - (c) Profits of the years 2016, 2017 and 2018 were Rs. 13,000, Rs. 15,000 and Rs. 17,000 respectively.
 - (d) The present value of annuity of Rs. 1 for 3 years at 10% is Rs. 2.4868.
- 84) From the following information, compute the value of goodwill by capitalising super profit:
- (a) Capital employed is Rs. 4,00,000
 - (b) Normal rate of return is 10%
 - (c) Profit for 2016: Rs. 62,000; 2017: Rs. 61,000 and 2018: Rs. 63,000
- 85) The following particulars are available in respect of the business carried on by a partnership firm:
- (i) Profits earned: 2016: Rs. 25,000; 2017: Rs. 23,000 and 2018: Rs. 26,000.
 - (ii) Profit of 2016 includes a non-recurring income of Rs. 2,500.
 - (iii) Profit of 2017 is reduced by Rs. 3,500 due to stock destroyed by fire.
 - (iv) The stock was not insured. But, it is decided to insure the stock in future. The insurance premium is estimated to be Rs. 250 per annum.
- You are required to calculate the value of goodwill of the firm on the basis of 2 years purchase of average profits of the last three years.
- 86) Sriram and Raj are partners sharing profits and losses in the ratio of 2:1. Nelson joins as a partner on 1st April 2017. The following adjustments are to be made:
- (i) Increase the value of stock by Rs. 5,000
 - (ii) Bring into record investment of Rs. 7,000 which had not been recorded in the books of the firm.
 - (iii) Reduce the value of office equipment by Rs. 10,000
 - (iv) A provision would also be made for outstanding wages for Rs. 9,500.
- Give journal entries and prepare revaluation account.

- 87) Vetri and Ranjit are partners, sharing profits in the ratio of 3:2. Their balance sheet as on 31st December 2017 is as under:

LIABILITIES	RS.	RS.	ASSETS	RS.
Capital accounts:			Furniture	25,000
Vetri	30,000		Stock	20,000
Ranjit	20,000	50,000	Debtors	10,000
Reserve fund		5,000	Cash in hand	35,000
Sundry creditors		45,000	Profit and loss A/c (loss)	10,000
		1,00,000		1,00,000

On 1.1.2018, they admit Suriya into their firm as a partner on the following arrangements.

- Suriya brings Rs. 10,000 as capital for 1/4 share of profit.
- Stock to be depreciated by 10%
- Debtors to be revalued at Rs. 7,500.
- Furniture to be revalued at Rs. 40,000.
- There is an outstanding wages of Rs. 4,500 not yet recorded.

Prepare revaluation account, partners' capital account and the balance sheet of the firm after admission.

- 88) Hari, Madhavan and Kesavan are partners, sharing profits and losses in the ratio of 5:3:2. As from 1st April 2017, Vanmathi is admitted into the partnership and the new profit sharing ratio is decided as 4:3:2:1. The following adjustments are to be made.

- Increase the value of premises by Rs. 60,000.
- Depreciate stock by Rs. 5,000, furniture by Rs. 2,000 and machinery by Rs. 2,500.
- Provide for an outstanding liability of Rs. 500.

Pass journal entries and prepare revaluation account.

- 89) Seenu and Siva are partners sharing profits and losses in the ratio of 5:3. In the view of Kowsalya admission, they decided

- To increase the value of building by Rs. 40,000.
- To bring into record investments at Rs. 10,000, which have not so far been brought in to account.
- To decrease the value of machinery by Rs. 14,000 and furniture by Rs. 12,000.
- To write off sundry creditors by Rs. 16,000.

Pass journal entries and prepare revaluation account

- 90) Ramya, Sara and Thara are partners sharing profits and losses in the ratio of 5:3:2. On 1st April 2018, Thara retires and on retirement, the following adjustments are agreed upon:

- Increase the value of premises by Rs. 40,000.
- Depreciate stock by Rs. 3,000 and machinery by Rs. 6,500.
- Provide an outstanding liability of Rs. 500

Pass journal entries and prepare revaluation account.

- 91) Prabu, Ragu and Siva are partners sharing profits and losses in the ratio of 3:2:1. Prabu retires from partnership on 1st April 2017. The following adjustments are to be made:

- Increase the value of building by Rs. 12,000
- Reduce the value of furniture by Rs. 8,500
- A provision would also be made for outstanding salary for Rs. 6,500.

Give journal entries and prepare revaluation account.

- 92) John, James and Raja are partners in a firm sharing profits and losses equally. Their balance sheet as on 31st March, 2019 is as follows:

Raja retired on 31st March, 2019 subject to the following conditions:

- Machinery is valued at Rs. 1,30,000
- Value of office equipment is brought down by Rs. 2,000
- Provision for doubtful debts should be increased to Rs. 3,000
- Investment of Rs. 25,000 not recorded in the books is to be recorded now

Pass necessary journal entries and prepare revaluation account.

- 93) Mani, Rama and Devan are partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. Their balance sheet as on 31st March, 2019 is as follows:

LIABILITIES	RS.	RS.	ASSET	RS.
Capital accounts:			Buildings	80,000
Mani	50,000		Stock	20,000
Rama	50,000		Furniture	70,000
Devan	50,000	1,50,000	Debtors	20,000
Sundry creditors		20,000	Cash in hand	10,000
Profit and loss A/c		30,000		
		2,00,000		2,00,000

Mani retired from the partnership firm on 31.03.2019 subject to the following adjustments:

- Stock to be depreciated by Rs. 5,000
- Provision for doubtful debts to be created for Rs. 1,000.
- Buildings to be appreciated by Rs. 16,000
- The final amount due to Mani is not paid immediately

Prepare revaluation account and capital account of partners after retirement.

- 94) Varsha, Shanthi and Madhuri are partners, sharing profits in the ratio of 5:4:3. Their balance sheet as on 31st December 2017 is as under:

LIABILITIES	RS.	RS.	ASSET	RS.
Capital accounts:			Premises	1,20,000
Varsha	80,000		Stock	40,000
Shanthi	60,000		Debtors	50,000
Madhuri	20,000	1,60,000	Cash at bank	18,000
General reserve		48,000	Profit and loss A/c (loss)	12,000
Sundry creditors		32,000		
		2,40,000		2,40,000

Balance Sheet as on 31st December 2017

On 1.1.2018, Madhuri died and on her death the following arrangements are made:

- Stock to be depreciated by Rs. 5,000
- Premises is to be appreciated by 20%
- To provide Rs. 4,000 for bad debts
- The final amount due to Madhuri was not paid

Prepare revaluation account, partners' capital account and the balance sheet of the firm after death.

- 95) Vijayan, Sudhan and Suman are partners who share profits and losses in their capital ratio. Their balance sheet as on 31.12.2018 is as follows Balance Sheet as on 31.12.2018

LIABILITIES	RS.	RS.	ASSET	RS.
Capital accounts:			Building	80,000
Vijayan	70,000		Stock	45,000
Sudhan	50,000		Debtors	25,000
Suman	30,000	1,50,000	Cash at bank	20,000
General reserve		18,000	Cash in hand	15,000
creditors		17,000		
		1,85,000		1,85,000

Suman died on 31.3.2019. On the death of Suman, the following adjustments are made:

- Building is to be valued at Rs. 1,00,000
- Stock to be depreciated by Rs. 5,000
- Goodwill of the firm is valued at Rs. 36,000
- Share of profit from the closing of the last financial year to the date of death on the basis of the average of the three completed years' profit before death. Profit for 2016, 2017 and 2018 were Rs. 40,000, Rs. 50,000 and Rs. 30,000 respectively.

Prepare the necessary ledger accounts and the balance sheet immediately after the death of Suman.

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