HALF YEARLY EXAMINATION, 2024-25

ACCOUNTANCY

Time – 3:00 Hrs. **Class – XII** **M.M. : 80**

Date – 12.09.2024 (Thursday)

Name of the student ____Section _____

GENERAL INSTRUCTIONS:

1) All the questions are compulsory.

2) Question no. 1 to 20 carries 1 mark each.

3) Question no. 21 to 26 carries 3 marks each.

4) Question no. 27 to 29 carries 4 marks each.

5) Question no. 30 and 34 carries 6 marks each.

6) Internal Choice is provided in 7 questions of 1 mark, 2 questions of 3 marks, 1 question of 4 marks and in 1 question of 6 marks.

7) Give your working notes clearly wherever asked.

Q.1 A and B are partners. The net divisible profit as per Profit and Loss Appropriations A/c is Rs. 2,50,000. The total interest on partner's drawings is Rs. 4,000. A's salary is Rs. 4,000 per quarter and B's salary is Rs. 40,000 per annum. The Net Profit/Loss earned during the year will be: **1**

(A)Rs. 3,02,000 (B)Rs.2,82,000 (C)Rs. 2,96,000 (D)Rs. 3,06,000

OR

A and B are partners sharing profits and losses in the ratio 4:3.Their capitals on 31st December,2019 were Rs.3,00,000 and Rs. 2,00,000 respectively. During the year, their drawings were Rs.50,000 each. The firm earned profit amounting to Rs.70,000 for the year ending 31st December,2019.

Later on they decided that interest on their capital be charged at 10% p.a. Opening capitals of A and B will be:

(A) A-Rs.3,00,000; B-Rs.2,10,000 (B) A-Rs.3,10,000; B-Rs.2,20,000

(C) A-Rs.3,00,000; B-Rs.2,20,000 (D) A-Rs.3,10,000; B-Rs.2,10,000

Q.2 Closing entry for Rent paid to a partner will be: **1**

(A) Rent A/c......................... Dr.
To Cash/Bank A/c

(B) P & L A/c........................ Dr.
To Rent A/c

(C) Rent A/c......................... Dr.
To P& L Appropriation A/c

(D) Rent A/c......................... Dr.
To Partner's Capital
To P&L A/c

OR

X and Y are partners. X draws a fixed amount at the end of every quarter. Interest on drawings is charged @12% p.a. At the end of the year interest on A's drawings amounted to Rs 10,800. Drawings of Y were:

a) Rs 64, 000 per quarter. b) Rs 60, 000 per quarter

c) Rs 50, 000 per quarter d) Rs 80, 000 per quarter

Q.3 Paul and Pam were partners with ratio 3:2. The decided to change their PSR to 2:1. Paul withdrew Rs. 12,000 during the year. The amount of Interest on Drawings @6% p.a will be: **1**

(A) Rs.720 (B) Rs.360 (C) Rs.120 (D) Rs.240

OR

X, Y and Z were partners sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5 with effect from 1/4/2019. They decided to record the effect of the following without affecting their book values:

(i) Profit &Loss A/c. Rs.24,000

(ii) Advertisement Suspense Account Rs.12,000.

The correct adjusting entry will be:

(A)	Y's Capital A/c To X's Capital A/c	Dr.		3,600	 3,600
(B)	Z's Capital A/c To Y's Capital A/c	Dr.		3,600	 3,600
(C)	Y's Capital A/c To Z's Capital A/c	Dr.		3,600	 3,600
(D)	Z's Capital A/c To X's Capital A/c	Dr.		3,600	 3,600

Q.4 Given below are two statements one labelled as Assertion (A) and the other labelled as Reason (R). **1**

Assertion(A):Admission of a partner is reconstitution of the firm.

Reason(R): With the admission of a partner existing agreement ends and a new agreement among all the partners comes into existence.

(A) Both (A) and (R) are correct and (R) is correct reason for (A).

(B) Both (A) and (R) is incorrect.

(C) (A) is correct but (R) is incorrect

(D) Both (A) and (R) are correct and (R) is not the correct reason for (A).

OR

Given below are two statements one labelled as Assertion (A) and the other labelled as Reason (R).

Assertion(A):The amount brought in by the new partner is divided between the existing partners in their sacrificing ratio.

Reason(R): The new partner acquires his/her share of profit from the existing partners

(A)Both (A) and (R) are correct and (R) is correct reason for (A).

(B) Both (A) and (R) is incorrect.

(C) (A) is incorrect but (R) is correct.

(D) Both (A) and (R) are correct and (R) is not the correct reason for (A).

Q.5 A and B are partners in a firm sharing profits in the ratio of 3:2. C is admitted for $1/4^{th}$ share. A and B had advanced to the firm a sum of Rs. 30,000 as loan in their profit sharing ratio on 1^{st} October, 2017. The partnership deed is silent on Interest on loan from partners, assuming the firm closes its books every year on 31^{st} March. Interest on loan to the partners will be: **1**

(A) A-Rs.500; B Rs. 360 (B) A-Rs.540; B Rs. 360

(C) A-Rs.540; B Rs. 340 (D) A-Rs.520; B Rs. 380

OR

A and B are partners sharing profits in the ratio of 5:3. They admit C into the firm for $3/10^{th}$ profit, which he takes 2/10 from A and $1/10^{th}$ from B and brings a part of his share of premium for goodwill in cash. Goodwill account does not appear in the books of A and B. Fill in the missing information in the following journal entries-

Date	Particulars	L.F	Amount(Rs.)	Amount(Rs.)
	Bank A/c Dr. To Premium for Goodwill A/c (Premium brought in cash by the new partner)		1,20,000	 1,20,000
	Premium for Goodwill A/c Dr. C's Current A/c Dr. To A's Capital A/c To B's Capital A/c (Goodwill distributed among the partners in sacrificing ratio)		1,20,000 3,30,000	 ....(a)..... ....(b).....

(A) Rs. 1,20,000:Rs. 1,80,000 (B) Rs. 3,30,000 ; Rs.1,20,000

(C) Rs. 3,00,000 ; Rs1,50,000 (D) Rs. 1,50,000; Rs.3,00,000

CASE STUDY

Prem and Manoj are partners in a firm sharing profits in the ratio of 3:2.They decided to admit Abhinav as a partner. The Partnership Deed provided that Prem was to be paid salary of Rs. 2,500 p.m. and Manoj was to get a commission of Rs. 10,000 per year. Interest on Capital was to be allowed @5% p.a. and Interest on Drawings was to be charged @6% p.a. Interest on Prem's drawings was Rs. 1,250 and on Manoj's drawings was Rs.425. Interest on capitals of partners were Rs. 10,000 and Rs. 7,500 respectively. The firm earned a profit of Rs. 90,575 for the year ended 31^{st} March,2018. Partnership deed is silent regarding admission of a partner.

Based on the above case study answer the following questions (From Q.6 to Q.9)

Q.6 If the share of Manoj in the divisible profit is Rs.13,900,What will be the share of Prem? **1**

(A) Rs. 34,750 (B) Rs.20,850 (C) Rs.20,800 (D)Rs.13,900

Q.7 Interest on Drawings of Both the partners will be: **1**

(A)Prem Rs. 1,250;Manoj Rs. 425 (B) Prem Rs. 2,500;Manoj Rs. 850

(C) Prem Rs. 1,200;Manoj Rs. 405 (D) Prem Rs. 1,050;Manoj Rs. 420

Q.8 The amount of capital introduced by both the partners: **1**

(A) Prem Rs.2,00,000;Manoj Rs. 1,50,000 (B) Prem Rs.1,00,000;Manoj Rs. 1,00,000

(C) Prem Rs.2,50,000;Manoj Rs. 1,50,000 (D) Prem Rs.2,00,000;Manoj Rs. 2,50,000

Q.9 Can they admit Abhinav as a new partner? **1**

(A)No (B)Yes (C) Can't say (D) None of these

Q.10 X Y and Z are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 1st April, 2023 X retires from the firm. Y and Z agree that the capital of the new firm shall be fixed at Rs. 3,00,000 in the profit sharing ratio. The capital accounts of Y and Z after all adjustments on the date of retirement showed balances of Rs 25,000 and Rs. 85,000 respectively. State the amount of actual cash to be brought in or paid to partner Y: **1**

(A) Paid to Y Rs. 35,000 (B) Brought in by Y Rs. 35,000

(C) Paid to Y Rs. 15,000 (D) Brought in by Y Rs. 15,000.

Q.11 A and B were partners in a firm sharing profits and losses equally. With effect from 1st April, 2023 they agreed to share profits in the ratio of 4 : 3. Due to change in the profit sharing ratio, B's gain or sacrifice will be: **1**

(A) gain 1/ 14 (B) sacrifice 1/ 14 (C) gain 4 / 7 (D) sacrifice 3/7

Q.12 A, B & C are partners sharing profits and losses in the ratio 4:3:2 ,decided to share future profits and losses in the ratio of 2:3:4, w.e.f 1st April, 2023. Workmen Compensation Reserve appearing in the balance sheet is Rs. 45,000 and a claim on account of workmen compensation is estimated at Rs. 54,000. **1**

Then:

(A) Rs 45,000 is debited amongst partners in old profit sharing ratio.

(B) Rs 54,000 is credited amongst the partners in new profit sharing ratio.

(C) Rs. 54,000 is shown as claim on workmen compensation in the new balance sheet.

(D) Rs. 9,000 is debited amongst the partners in their capital ratio.

Q.13 A, B and C are partners sharing profits and losses in the ratio of 2:2:1. C died on 31st March, 2023. The profits of the financial year ending 31st March, 2023 is Rs 64,000. The share of the deceased partner in the profits will be: **1**

(A) Rs. 9,200 (B) Rs 12,800 (C) Rs. 30,100 (D) Rs. 60,100

OR

A, G and B are partners sharing profits in the ratio 4:2:1.A retires and his share is taken by G and B where A sold his share of profit to G and B for Rs. 8,400 :Rs.5,040 paid by G and Rs. 3,360 paid by B. calculate new profit sharing ratio:

(A)22:13 (B) 12:9 (C) 13:22 (D) 3:2

Q.14 A, B and C are partners in a firm sharing profits and losses in the ratio of 2:2:1. On June 30, 2023 C died. Accounts are closed on March 31st every year. The sales for the year 2022-23 were Rs. 6,00,000 and the profits were Rs. 60,000. The sales for the period from April 1 ,2023 to June 30, 2023 were Rs. 2,00,000. The share of deceased partner in the **1** current year's profit on the basis of sales is;

(A) Rs. 20,000 (B) Rs.8,000 (C) Rs 3,000 (D) Rs 4,000

Q.15 X Y and Z are partners .X died and remaining partners Y and Z decided to share the profits in the ratio 5:4 .The Goodwill of the firm is valued at Rs. 90,000. Which entry will be passed for adjustment of goodwill? **1**

(A) Dr. Y's Capital A/c and Z's Capital A/c by Rs. 20,000 and Rs.10,000 respectively : Cr. X's Capital A/c by Rs. 30,000.

(B) Dr. X's Capital A/c by Rs. 30,000 : Cr. Y's Capital A/c and Z's Capital A/c by Rs. 20,000 and Rs.10,000 respectively.

(C) Dr. Goodwill A/c by Rs. 90,000 : Cr. X's Capital A/c, Y's Capital A/c and Z's Capital A/c by Rs. 30,000 each.

(D) Dr. Y's Capital A/c and Z's Capital A/c by Rs. 15,000 each : Cr. X's Capital A/c by Rs. 30,000.

OR

The balance in the Investment Fluctuation Fund after meeting the fall in the book value of investment at the time of retirement of partner will be transferred to:

(A) Revaluation account (B) Capital Accounts of old partners in old ratio.

(C) General Reserve (D) Capital Accounts of all partners in gaining ratio.

Q.16 A,B and C are partners with profit sharing ratio 4:3:2. B retires and Goodwill was valued at Rs. 1,08,000. If A and C get share from B in 5:3 ratio. Find out the Goodwill shared by A and C in favour of B. **1**

(A) Rs. 22,500 and Rs 13,500 (B)Rs.16,500 and Rs. 19,500

(C) Rs 67,500 and Rs.40,500 (D)Rs 19,500 and Rs.16,500

Q.17 Amay, Bina and Chander are partners in a firm with capital balances of Rs. 50,000, Rs.70,000 and Rs. 80,000 respectively on 31st March, 2022. On the same date Amay decides to retire from the firm. With the help of the following information provided Calculate the amount to be paid to Amay on his retirement. There existed a General Reserve of Rs.7,500 in the balance sheet on that date. Goodwill of the firm was valued at Rs. 30,000. Gain on revaluation was Rs.24,000 . **1**

(A) Rs 88,500 (B) Rs.90,500 (C)Rs.65,375 (D)Rs. 70,500

Q.18 On the reconstitution of a firm, the value of land was to be appreciated by Rs. 2,00,000 and plant and machinery was to be reduced to Rs. 7,00,000 from Rs. 10,00,000. Gain or Loss on revaluation will be: **1**

(A) Gain Rs 1,00,000 (B) Loss Rs. 1,00,000 (C) Loss Rs. 5,00,000 (D) Gain Rs. 5,00,000

Q.19 X, Y and Z are partners sharing profits in the ratio of 1:2:3.On April 1st, 2021, they decided to share the profits equally. On that date there was a credit balance of Rs. 1,20,000 in their P&L Account and a balance of Rs. 1,80,000 in General Reserve Account. Instead of closing the General Reserve Account and P&L Account, it is decided to record the adjusting entry. The adjusting entry will be: **1**

(A) X's Capital A/c.........Dr. 50,000

To Y's Capital A/c 50,000

(B) X's Capital A/c.........Dr. 50,000

To Z's Capital A/c 50,000

(C) Y's Capital A/c.........Dr. 50,000

To X's Capital A/c 50,000

(D) Z's Capital A/c.........Dr. 50,000

To X's Capital A/c 50,000

Q.20 A, B and C are partners sharing profits in the ratio 3:2:1. They decided to share future profits equally. Workmen Compensation Reserve appear in the Balance Sheet at Rs. 30,000 which will be distributed among the partners in ________ **1**

(A)Gaining Ratio (B) Old Ratio (C)New Ratio (D)Sacrificing Ratio

Q.21 A, B and Care partners in a firm. A is entitled a commission of 10% of the Net Profits before charging his commission. B is entitled a commission of 10% of the Net Profit after charging his commission. C is entitled a commission of 10% of the Net Profit after charging all commissions including his commission. Net Profit for the year ended 31st March, 2022, before charging any commission is Rs. 2,20,000. Calculate Partners' Commission. **3**

OR

Lalan and Balan were partners in a firm sharing profits in the ratio of 3 : 2. Their fixed capitals on 1st April, 2010 were Lalan ₹ 1,00,000 and Balan ₹ 2,00,000. They agreed to allow interest on capital @ 12% per annum and charge on drawings @ 15% per annum. The firm earned a profit, before all above adjustments, of ₹ 30,000 for the year ended 31st March, 2011. The drawings of Lalan and Balan during the year were ₹ 3,000 and ₹ 5,000 respectively. Showing your calculations clearly and prepare Profit and Loss Appropriation Account. The interest on capital will be allowed even if the firm incurs loss.

Q.22 Ashok, Bhim and Chetan were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Their balance sheet as at 31st March, 2015 was as follows **3**

Balance Sheet

Liabilities	Amount(Rs.)	Assets	Amount (Rs.)
Creditors	1,00,000	Land	1,00,000
Bills Payable	40,000	Building	1,00,000
General Reserve	60,000	Plant	2,00,000
Capital A/cs		Stock	80,000
Ashok. 2,00,000		Debtors	60,000
Bhim 1,00,000		Bank	10,000
Chetan. 50,000	3,50,000		
	5,50,000		**5,50,000**

Ashok, Bhim and Chetan decided to share the future profits equally, with effect from 1st April, 2015. For this it was agreed that:

(i) Goodwill of the firm be valued at ₹ 3,00,000.

(ii) Land be revalued at ₹ 1,60,000 and building be depreciated by 6%.

(iii) Creditors of ₹ 12,000 were not likely to be claimed and hence be written off.

Prepare Partners Capital Account of the reconstituted firm.

OR

A, B, C and D were partners in a firm sharing profits in the ratio of 3 : 2 : 3 : 2. On 1st April, 2016 their balance sheet was as follows:

Balance Sheet

(as at 1st April, 2016)

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Sundry Creditors	90,000	Fixed Assets	8,25,000
WCR	25,000	Current Assets	3,00,000
Capital A/cs			
A. 2,00,000			
B. 2,50,000			
C. 2,50,000			
D. 3,10,000	10,10,000		
	11,25,000		**11,25,000**

From the above date the partners decided to share the future profits in the ratio of 4 : 3 : 2 : 1. For this purpose the goodwill of the firm was valued at ₹ 2,70,000.
It was also considered that:

(i) the Claim against workmen compensation reserve will be estimated at ₹ 30,000 and fixed assets will be depreciated by 25,000.

(ii) the capitals of the partners will be adjusted according to the new profit sharing ratio by opening current accounts of the partners.

Prepare Partners' Capital Accounts. (Show working notes clearly)

Q.23 A and B are partners sharing profits in the ratio of 2:3.Their Balance Sheet shows Machinery at Rs. 2,00,000; Stock at Rs. 80,000 and Debtors Rs. 1,60,000. C is admitted and new profit sharing ratio is agreed at 6:9:5. Machinery is revalued at Rs. 1,40,000 and a provision is made for doubtful debts @ 2.5%. A's share in loss on revaluation is amounted to Rs. 20,000. Determine the revalued value of stock. (Show your calculations clearly) **3**

Q.24 A and B are partners in a firm sharing profits and losses in the ratio of 3:2. They admit C into partnership for 1/5th share. C, brings Rs. 30,000 as capital and Rs. 10,000 as goodwill. At the time of admission of C goodwill appears in the balance sheet of A and B at Rs. 3,000. New profit sharing of the partners shall be 5:3:2. Pass journal entries in the books of the new firm. **3**

Q.25 Radha, Rukmani and Krishna are partners in a firm. Rukmini retires and her claim including her capital and her share of goodwill is Rs. 80,000. She is paid in kind, a car valued at Rs. 40,000 which was not recorded in the books of the firm till the date of retirement. Give Journal entries. **3**

Q.26 X, Y and Z are partners in a firm sharing profits in the ratio of 5:3:2. Z died on 30th **3**

September, 2023 and his share a profit till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March ,2023 amounted it to Rs. 1,50,000 and that from 1st April to 30th September, 2023 amounted to Rs. 90,000.The profit for the year ended 31st March, 2023 was Rs. 50,000. Calculate Z's share of profit up to the date of death and pass Journal entry.(X and Y have decided not to change their future profit sharing ratio)

Q.27 Give the necessary journal entries for the following in the books of the firm on the admission of a partner: **4**

(i) A provision of 5% is to be created for doubtful debts on debtors, which were Rs. 34,000.

(ii) Debtors and provision for debtors appeared at Rs. 40,000 and Rs. 2,000 respectively. All debtors are now considered good.

(iii) Patents are valueless(book value of patents Rs. 5,000)

(iv) Unrecorded liability for creditors is fixed at Rs. 6,000.

OR

(i) Rohan and Mohan are partners in a firm sharing profits in the ratio of 5 : 3 respectively. They admit Bhim as a partner for 1/7th share in the profit. The new profit sharing ratio will be 4 : 2 : 1. Calculate the sacrificing ratio of Rohan and Mohan.

(ii) Amla and Kamla are partners in a firm sharing profits in the ratio of 4 : 1 respectively. They admitted Bimla as a new partner for 1/4th share in the profits, which she acquired wholly from Amla.

Determine the new profit sharing ratio of the partners.

Q.28 On 1st April, 2013 Mohan and Sohan entered into partnership for doing business of dry fruits. Mohan introduced ₹ 1,00,000 as capital and Sohan introduced ₹ 50,000. Since Sohan could introduce only ₹ 50,000 it was further agreed that as and when there will be a need Sohan will introduce further capital. Sohan was also allowed to withdraw from his capital when the need for the capital was less. During the year ended 31st March, 2014, Sohan introduced and withdrew the following amounts of capital. **4**

DATE	Capital introduced	Capital Withdrawn
1st May, 2013	10,000	-
30th June, 2013	-	5,000
30th September, 2013	97,000	-
1st February, 2014	-	87,000

The partnership deed provided for interest on capital @ 6% per annum. Calculate interest on capitals of Sohan.

Q.29 Banwari, Girdhari and Murari are partners in a firm sharing profits and losses in the ratio of 4 : 5 : 6. On 31st March, 2014, Girdhari retired. On that date the capitals of Banwari, Girdhari and Murari before the necessary adjustments stood at ₹ 2,00,000, ₹ 1,00,000 and ₹ 50,000, respectively. On Girdhari's retirement, goodwill of the firm was valued at ₹ 1,14,000. Revaluation of assets and re-assessment of liabilities resulted in a profit of ₹ 6,000. General reserve stood in the books of the firm at ₹ 30,000. **4**

The amount payable to Girdhari was transferred to his loan account. Banwari and Murari agreed to pay Girdhari two yearly instalments of ₹ 75,000 each including interest @ 10% per annum on the outstanding balance during the first two years and the balance including interest in the third year. The firm closes its books on 31st March every year. Prepare Girdhari's loan account till it is finally paid showing the working notes clearly.

Q.30 Sonu and Rajat started a partnership firm on April 1st, 2022. They contributed Rs. 8,00,000 and Rs. 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 Rs 20,000 per month and Rajat a commission of 5% on turnover. It is also provided that interest on capital be allowed @ 8% per annum. Sonu withdrew Rs. 20,000 on 1st December, 2022 and Rajat withdrew Rs. 5,000 at the end of each month. Interest on drawings was charged @ 6% per annum .The net profit as per Profit and Loss Account for the year ended 31st March, 2023 was Rs. 4,89,950. The turnover of the firm for the year ended 31st March, 2023 amounted to Rs. 20,00,000. Pass necessary journal entries for the above transactions in the books of Sonu and Rajat. **6**

OR

A , B and C are partners with fixed capitals of Rs. 1,00,000, Rs. 2,00,000 and Rs. 3,00,000 respectively. Their partnership deed provides that :

(a) A is to be allowed a monthly salary of Rs. 600 and B is to be allowed a monthly salary of Rs. 400.

(b) C will be allowed a commission of 5% of the net profit after allowing salaries of A and B.

(c) Interest is to be allowed on capitals @ 6%.

(d) Interest will be charged on partners annual drawings at 4%.

(e) The annual drawings were :B Rs. 10,000 and C Rs. 15,000.

The net profit for the year ending 31st march, 2016 amounted to Rs. 1,72,000.

Prepare P&L Appropriation Account.

Q.31 Parth, Raman and Zaisha are partners in a firm manufacturing furniture. They have been sharing profits and losses in the ratio of 5 : 3 : 2. From 1st April, 2017 they decided to share future profits and losses in the ratio of 2 : 5 : 3. Their Balance Sheet showed a debit balance of ₹ 4,000 in Profit and Loss Account; balance of ₹ 36,000 in General Reserve and a balance of ₹ 12,000 in Workmen's Compensation Reserve. It was agreed that: **6**

(i) The goodwill of the firm be valued at ₹ 76,000.

(ii) The stock (book value of ₹ 40,000) was to be depreciated by 8%.

(iii) Creditors amounting to ₹ 900 were not likely to be claimed.

(iv) Claim on account of Workmen's Compensation amounted to ₹ 20,000.

(v) Investments (book value ₹ 38,000) were revalued at ₹ 40,000.

Pass necessary journal entries for the above.

Q.32 Anil and Beena were partners in a firm sharing profits in the ratio of 4 : 3. On 1st April, 2019 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. **6**

The following was agreed upon, on Chahat's admission:

(i) Chahat will bring ₹ 80,000 as her capital and her share of goodwill premium of ₹ 21,000 in cash.

(ii) The market value of investments was ₹ 17,000 less than the book value.

(iii) New profit sharing ratio was agreed at 2 : 1: 1.

Pass the necessary journal entries for the above on Chahat's admission.

Q.33 Sameer, Yasmin and Saloni were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. On 31^{st} March, 2016, their balance sheet was as follows: **6**

Balance Sheet

(as at 31^{st} March, 2016)

Liabilities		Amount	Assets		Amount
Creditors		1,10,000	Cash		80,000
General Reserve		60,000	Debtors	90,000	
Capitals			Less: Prov.	10,000	80,000
Sameer	3,00,000		Stock		1,00,000
Yasmin	2,50,000		Machinery		3,00,000
Saloni	1,50,000	7,00,000	Building		2,00,000
			Patents		60,000
			P&L A/c		50,000
		8,70,000			**8,70,000**

On the above date, Sameer retired and it was agreed that

(i) Debtors of ₹ 4,000 will be written-off as bad debts and a provision of 5% on debtors for bad and doubtful debts will be maintained.

(ii) An unrecorded creditor of ₹ 20,000 will be recorded.

(iii) Patents will be completely written-off and 5% depreciation will be charged on stock, machinery and building.

(iv) Yasmin and Saloni will share the future profits in the ratio of 3 : 2.

(v) Goodwill of the firm on Sameer's retirement was valued at ₹ 5,40,000.

Prepare Partner's Capital Accounts and Balance Sheet in the books of the firm on Sameer's retirement.

Q.34 M and V were partners in a firm with capitals of ₹ 1,20,000 and ₹ 1,60,000 respectively. On 1^{st} April, 2018 they admitted Y as a partner for $1/4^{th}$ share in profits on his payment of ₹ 2,00,000 as his capital and ₹ 90,000 for his share of goodwill. On that date, the creditors of the firm were ₹ 60,000 and bank overdraft was ₹ 15,000. Their assets apart from cash included stock ₹ 10,000; debtors ₹ 40,000; plant and machinery ₹ 80,000; land and building ₹ 2,00,000. It was agreed that stock should be depreciated by ₹ 2,000; plant and machinery by 20%, ₹ 5,000 should be written-off as bad debts and land and building should be appreciated by 25%. **6**

Prepare Revaluation Account, Capital Accounts of M, V and Y.