# KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION DEATH OF A PARTNER

WORK SHEET 1

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death
to his

Ans		Bijit's C	apital A/c		
	Particulars	Amount	Particulars	Amo	unt
0.6	X. Y and Z are partners sharing	profits and los	ses in the ratio of 2:2:1	respectively.	Their Balance
<b>(</b> . •	Sheet as on 31 <sup>st</sup> March 2020 was	as follows:			
		1			
	Liabilities	Rs	. Assets		Rs.
	Sundry Creditors	1,00,000	Cash at bank		20,000
	Capital Accounts		Stock		30,000
	X	60,000	) Sundry Debtors		80,000
	Y	1,00,000	) Investments		70,000
	Ζ	40,000	) Furniture		35,000
	General Reserve	50,000	) Buildings		1,15,000
		3,50,000	)		3,50,000
				I	
A	<ul> <li>Year I – 80,000, Year II –</li> <li>c) Interest on Capital was produced</li> <li>d) Drawings of the deceased</li> <li>e) Rs. 15,400 should be paid in four equal yearly install Prepare Z's capital accourt</li> </ul>	Rs. 50,000, Ye ovided at 12% partner upto th immediately to ments with int at and Z's exec	ear III – Rs. 40,000 and M p.a. he date of death was Rs. the executor of the dece erest at 12% on remaining utors account till the acc	ť ear IV –Rs. 3 10,000. ased partner ar ng balance. count is finally	0,000 nd the balance closed.
Ans	Destionland	Z's Cap	Ital Account		Da
	Particulars		Particulars		KS.

D	D				
Date	Particulars	Ks.	Date	Particulars	Rs

#### KENDRIYA VIDYALAYA SANGATHAN AHMEDABAD REGION CH: 5 DISSOLUTION OF A PARTNERSHIP FIRM WORKSHEET - 1

NAME OF STUDENT:

DATE:	01 51	ODENT.			
1	State	three points of difference between dissolution	of partnership an	d dissolution of part	nership firm.
ans	Diss	olution of partnership	Dissolution of p	partnership firm	
2	What	does section 48 of Indian Partnership Act 1932	savs regarding se	ettlement of account	s with special
	refer	ence to application of assets (sec.48(b)) says?			
ans	1				
	2				
	3				
3	State	any four cases when court may pass order for d	issolution of the	firm	
ans	1	any roar cases when court may pass order for a			
	2				
	3				
	4			1 .: A	
4. 205	State	three points of difference between 'Realisation	Account and Re	evaluation Account'.	
a115	Nea		Revaluation Ad		
5.	Pass	ournal entries for the following transactions:			٦
	1	Realisation expenses were Rs. 10,000			-
	2.	Realisation expenses Rs. 12,000 paid by Reema	n, a partner m on behalf of Di	hanshree, a partner	-
	4.	Janak, a partner was paid remuneration (includ	ling expenses) of	Rs. 20,000 to carry	-
		out dissolution of a firm. Actual expenses were	Rs. 10,000. Expe	enses incurred were	
		paid by Janak.			
ans	date	particular	1.1	Dr. amount	Cr. amount
	*				
	2				
	3				<u> </u>
	4				
6.	Pass	ournal entries in the following cases:			
	1.Dis	solution expenses were Rs. 16,000. Out of the sa	id expenses, Rs.	6,000 were borne by	the firm, and
	the b	alance by Rushil , a partner. Rs, 16,000 were pai	d by the firm.		
	2. Re	alisation expenses Rs. 10,000 were borne and pa	nd by Mr. Chitrar	ish, a partner.	20.000
	4. Ad	itya, a partner, is paid remuneration of Rs. 15.00	10 for dissolution	of a firm. Realisation	20,000 1 expenses were
	Rs. 8,	000 are paid by the firm.			•

	date	Particular	l.f	Dr. amount	Cr.amount
	1.				
	2				
	3				
	4				
and 1 2 4 4 4 4 4 4 4 4 4 4 4 4 4					
	5				
	A and I situation	B were partners sharing profits in the ratio of a source of the second state of the second se	3:2. Pass nec	essary journal entr	ies under following
	1	Workmen Compensation reserve in the bala	nce sheet wa	as Rs. 1,50,000	
	2	Workmen Compensation reserve was Rs. 1,2	0,000 and lia	ability for it was Rs	. 70,000
	3	Workmen Compensation reserve was Rs. 60,	,000 and liab	ility for it was Rs. 7	75,000
	4	Workmen Compensation reserve was Rs. 30,	,000 and liab	ility for it was Rs. 3	30,000
+	5	Workmen Compensation reserve was nil and	I liability for	It was Rs. 30,000	Ca. caracterist
	date	Particular	1.1	Dr. amount	Cr.amount
	1.				
	2				
	3				
	4				
	5				
+	Pass ne	ecessary journal entries in the books of X and Y	Y		I
	1.	There was an old furniture in the firm which was sold for Rs. 3000	had been wi	ritten off complete	ly in the books. Thi
	2.	Mohit, an old customer whose account of Rs paid 60% of the amount	. 3000 was v	vritten off as bad ir	n the previous year
	3.	There was an old typewriter which had been	written off	completely from th	e books it was

#### KENDRIYA VIDYALAYA SANGATHAN AHMEDABAD REGION CH: 5 DISSOLUTION OF A PARTNERSHIP FIRM WORKSHEET - 2

NAME OF STUDENT:

#### DATE:

2

1. Charu, Dhwani, Iknoor and Paavni were partners in a firm. They had entered into partnership firm last year only, through a verbal agreement. They contributed Capitals in the firm and to meet other financial requirements, few partners also provided loan to the firm. Within a year, their conflicts arisen due 4 to certain disagreements and they decided to dissolve the firm. The firm had appointed Ms. Kavya, who is a financial advisor and legal consultant, to carry on the dissolution process. In the first instance, Ms. Kavya had transferred various assets and external liabilities to Realisation A/c. Due to her busy schedule; Ms. Kavya has delegated this assignment to you, being an intern in her firm. On the date of dissolution, you have observed the following transactions: (i) Dhwani's Loan of ₹ 50,000 to the firm was settled by paying ₹ 42,000. (ii)Paavni's Loan of ₹ 40,000 was settled by giving an unrecorded asset of ₹ 45,000. (iii)Loan to Charu of ₹ 60,000 was settled by payment to Charu's brother loan of the same amount. (iv)Iknoor's Loan of ₹ 80,000 to the firm and she took over Machinery of ₹ 60,000 as part payment. You are required to pass necessary entries for all the above mentioned transactions.

ans	date	particular	l.f	Dr. amt	Cr.amt

Michael, Jackson and John were partners in a firm sharing profits in the ratio of 3 : 1 : 1. On 31<sup>st</sup> March, 2017, they decided to dissolve their firm. On that date their Balance Sheet was as follows :

## Balance Sheet of Michael, Jackson and John as at 31.3.2017

Lighilition	Amount	Assats	Amount
LIUDIIILIES	Rs.	Assets	Rs.
Creditors	11,500	Bank	6,000
Loan	3,500	Debtors 48,400	
		Less : Provision for	
Capital :		Doubtful Debts <u>2,400</u>	46,000
Michael 50,000		Stock in Trade	16,000
Jackson 25,000		Furniture	2,000
John <u>14,000</u>	89,000	Sundry Assets	34,000
	1,04,000		1,04,000

It was agreed that :

		(i)	Michae amoun 10,000	el was to ting to RS were to be	take over 5. 40,000 at 2 paid by hii	Furniture a Rs. 34,400 n at this fig	nt RS. 2,60 and the ure.	00 and D Creditors	ebtors of Rs.	
		(ii)	Jackson some o book ve	n was to ta f the other alue).	ike over all Sundry Ass	the stock in ets at Rs. 28	trade at 3,800 (bein	Rs. 14,00 ng 10% les	0 and s than	
		(iii)	John w book v theloar	as to take alue and n.	over the re assumed th	maining Su e responsil	ndry Asse bility for t	ts at 90% he discha	of the rge of	
		(iv)	The rei 50% oj paid by	maining de f the book 7 John.	ebtors were value. The	sold to a d expenses of	ebt collect dissolutic	ing ageno on Rs.600	cy for were	
		Pre Acc	pare Real ounts.	lisation A	ccount, Bo	ank Accou	nt and H	Partners'	Capital	
ans	Dr.				Realisati	on account				cr.
	Particula	ar			amount	particular			amount	
					Partners' capi	tal account				
	particu	lar	Michael	jackson	John	particular	Michael	Jackson	John	
					Bank/ Cash	account				

	Deutieuleu	t	a sublember	a manual di
	Particular	amount	particular	amount
-		<u> </u>		
3	Prashant and Rajesh were partners in a	a firm sharing pi	rofits in the ratio of 3:2 they decided	to dissolve the
	firm om 31/3/2023. Prashant was dep	uted to realise t	he assets and to pay the liabilities. He	e was to be paid
	Rs. 1000 as a commission for his service	es. Their balanc	e sheet as on date was as follows:	
	liabilities	amount	accets	amount
	Creditors	80,000	Building	1,20,000
	Mrs, Prashant's loan	40,000	Investments	30,600
	Rajesh's loan	24,000	Debtors 34,000	
	Investments fluctuation fund	8,000	Less: provision 4 000	30,000
	Brachant's capital	42,000	Bills receivable	27,400
		42,000	Dill's receivable	57,400
	Rajesh's capital	42,000	Cash	6,000
			Profit and loss account	8,000
			goodwill	4,000
			0	,
		2 36 000		2 36 000
		2,30,000		2,30,000
	Following was agreed upon:			
	<ol> <li>Prashant agreed to pay his wif</li> </ol>	e's loan		
	2. Debtors realised Rs.24,000			
	3. Raiesh took all the investment	s at Rs. 27.000		
	A Building realised Bs 1 52 000			
	4. Building realised NS. 1,52,000	menths Thous	ware resid in readictely at 10% discours	~ <b>+</b>
	5. Creditors were payable after 2	months. They v	vere paid immediately at 10%discoul	nt
	<ol><li>Bills receivable were settled aa</li></ol>	at a loss of Rs.14	100	
	<ol><li>Realisation expenses amounte</li></ol>	d Rs.2500		
	Prepare realisation account.			
Δns	Re	alisation account	+	
	partiacular	amount	particular	amount

	KENDRIYA VIDYALAYA SANGA CH:5 ANALYSIS OF FIN WORK	THAN AHMEDABAD REGION ANCIAL STATEMENT
NAN DAT	IE OF STUDENT:	SHEL
D/(I		not be identified how many menths it is assumed?
۸n	what is Operating Cycle? In case Operating Cycle can	not be identified, now many months it is assumed?
۲. I		
5.		
2.	What are the items included in Cash and Cash Equiva	lents?
An	1	
s:	2	
	3	
	4	
3.	State any one objective and one limitation of Financia	al Statement Analysis.
an	1	
s		
	2	
4.	Match the Followings:	
An	Horizontal or Dynamic Analysis	Cross-Sectional Analysis
s:	Vertical or Static Analysis	Time Series Analysis
5.	Which of the following is not a tool of financial analys	sis?
	(a) Comparative Income Statement (b) C	omparative Position Statement
	(c) Statement of Profit & Loss (d) C	ash Flow Statement
•		
An s		
5. 6.	Explain briefly any four limitations of 'Analysis of Fina	incial Statements.'
An		
s:		

7.	Explain briefly any four importance of 'Analysis of Financial Statements.'
An	
s:	
8.	Under which Major and Sub-headings will the following items be shown in the Balance Sheet of a company as per Schedule III. Part L of the Companies Act. 20132
	(1) Bank Loans (2) Securities Premium Reserve (3) Provisions for Warranties
	(4) Copyright (5) Loose Tools and Stores & Spares (6) Public Deposit
An	
s:	
-	
9.	Under which major headings and subheadings will the following items be presented in the Balance Sheet of a
	company as per Schedule III, Part I of the Companies Act, 2013?
	(i) Interest accrued and due on depentures
	(iii) Accrued interest on calls in advance
	(iv) Interest due on calls in arrears
	(v) Trademarks
	(vi) Premium on redemption of debentures
	(vii) Plant and Machinery
	(viii) Patents

181021012311134141351516Which item is assumed to be 100 while preparing common size statement of profit and loss?From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance sParticularsNote No31 Mar 202332I. Equity and Liabilities10,00,00032J. Share Capital10,00,00032b) Reserves and Surplus2,00,00032Long term Borrowings8,00,00032Gutter Liabilities3114,00,000Trade Payables4,00,00032II. Assets15,00,00032I. Staret Assets15,00,00034I. Current Assets9,00,00034I. Current Assets15,00,00034I. Assets14,00,00014I. Assets15,00,00014I. Assets15,00,00014I. Assets15,00,00014I. Assets15,00,00014I. Assets15,00,00014I. Assets14,00,000	heet:- Mar 2022
21012311134141351516Which item is assumed to be 100 while preparing common size statement of profit and loss?Prom the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance sParticularsNote No31 Mar 202332I. Equity and Liabilities10,00,0003J. Share Capital10,00,0004b) Reserves and Surplus2,00,0002Non-current Liabilities10,00,0004Long term Borrowings8,00,0003Current Liabilities4,00,0001II. Assets15,00,0001II. Assets15,00,00012. Current Assets9,00,0001Cash and Cash Equivalents9,00,0001	heet:- Mar 2022
3       11       13         4       14       13         5       15       16         Which item is assumed to be 100 while preparing common size statement of profit and loss?         From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance seet of S Is a set of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance seet of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2017. Prepare a common size balance see of S Ltd. as at March 2013. Discusses and Surplus 2,00,000         1. Equity and Liabilities       10,00,000       1         1. Shareholders' Funds       8,00,000       1         1. Assets       1,00,000       1         1. Assets       15,00,000       1         1. Assets       15,00,000       1         2. Current Assets       9,00,000 <t< th=""><th>heet:- . Mar 2022</th></t<>	heet:- . Mar 2022
4       14       13         5       15       16         Which item is assumed to be 100 while preparing common size statement of profit and loss?         From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance se         Particulars       Note No       31 Mar 2023       32         I. Equity and Liabilities       10,00,000       31         1. Shareholders' Funds       2,00,000       32         a) Share Capital       10,00,000       32         b) Reserves and Surplus       2,00,000       32         2. Non-current Liabilities       2,00,000       32         Long term Borrowings       8,00,000       32         3. Current Liabilities       4,00,000       32         Trade Payables       4,00,000       32         II. Assets       15,00,000       32         2. Current Assets       15,00,000       32         2. Current Assets       9,00,000       34         2. Current Assets       9,00,000       34         3. Carrent Assets       15,00,000       34         3. Current Assets       9,00,000       34         3. Current Assets       9,00,000       34         3. Current Assets       9,00,000	heet:- . Mar 2022
5       15       16         Which item is assumed to be 100 while preparing common size statement of profit and loss?         From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance s         Particulars       Note No       31 Mar 2023       33         I. Equity and Liabilities       Note No       31 Mar 2023       33         I. Equity and Liabilities       10,00,000       31         J. Shareholders' Funds       2,00,000       32         a) Share Capital       10,00,000       32         Deserves and Surplus       2,00,000       32         S. Non-current Liabilities       8,00,000       32         Long term Borrowings       8,00,000       32         S. Current Liabilities       4,00,000       32         II. Assets       15,00,000       32         II. Assets       15,00,000       33         2. Current Assets       9,00,000       33         Cash and Cash Equivalents       9,00,000       34	heet:- . Mar 2022
Which item is assumed to be 100 while preparing common size statement of profit and loss?         From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance s         Particulars       Note No       31 Mar 2023       33         I. Equity and Liabilities       1       10,00,000       31         a) Share Capital       10,00,000       30       30         b) Reserves and Surplus       2,00,000       30         2. Non-current Liabilities       8,00,000       30         Long term Borrowings       8,00,000       30         3. Current Liabilities       4,00,000       31         II. Assets       15,00,000       32         2. Current Assets       15,00,000       32         2. Current Assets       9,00,000       32         2. Current Assets       9,00,000       33	heet:- . Mar 2022
From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance s         Particulars       Note No       31 Mar 2023       32         I. Equity and Liabilities       10,00,000       31         I. Shareholders' Funds       10,00,000       32         a) Share Capital       10,00,000       32         b) Reserves and Surplus       2,00,000       32         2. Non-current Liabilities       8,00,000       33         Long term Borrowings       8,00,000       32         3. Current Liabilities       4,00,000       32         Trade Payables       4,00,000       32         II. Assets       1       30,00,000       32         I. Assets       15,00,000       32         2. Current Assets       15,00,000       32         2. Current Assets       9,00,000       32         2. Current Assets       9,00,000       32         2. Current Assets       9,00,000       32         3. Current Assets       1       30,000       32	heet:- . Mar 2022
From the following balance sheet of S Ltd. as at March 2017. Prepare a common size balance sParticularsNote No31 Mar 202332I. Equity and Liabilities3331. Equity and Liabilities10,00,00033a) Share Capital10,00,00033b) Reserves and Surplus2,00,00032. Non-current Liabilities24,00,0003Long term Borrowings8,00,00033. Current Liabilities4,00,0003Total24,00,0003II. Assets15,00,00032. Current Assets33Cash and Cash Equivalents9,00,0003Total24,00,0003	heet:- . Mar 2022
ParticularsNote No31 Mar 20233:I. Equity and Liabilities10,00,0003:1. Shareholders' Funds10,00,0003:a) Share Capital10,00,0003:b) Reserves and Surplus2,00,0003:2. Non-current Liabilities3:3:Long term Borrowings8,00,0003:3. Current Liabilities4,00,0004:Trade Payables4,00,0004:II. Assets15,00,0004:2. Current Assets15,00,0004:2. Current Assets9,00,0004:Total24,00,0004:	. Mar 2022
I. Equity and Liabilities         1. Shareholders' Funds         a) Share Capital       10,00,000         b) Reserves and Surplus       2,00,000         2. Non-current Liabilities       2,00,000         Long term Borrowings       8,00,000         3. Current Liabilities       4,00,000         Trade Payables       4,00,000         Total       24,00,000         II. Assets       15,00,000         2. Current Assets       15,00,000         Cash and Cash Equivalents       9,00,000	5 00 000
1. Shareholders' Funds         a) Share Capital       10,00,000         b) Reserves and Surplus       2,00,000         2. Non-current Liabilities       8,00,000         Long term Borrowings       8,00,000         3. Current Liabilities       4,00,000         Trade Payables       4,00,000         Total       24,00,000         II. Assets       15,00,000         2. Current Assets       15,00,000         2. Current Assets       9,00,000         Total       24,00,000	. 00 000
a) Share Capital 10,00,000 b) Reserves and Surplus 2,00,000 2. Non-current Liabilities Long term Borrowings 8,00,000 3. Current Liabilities Trade Payables 4,00,000 Total 24,00,000 1 II. Assets 1. Non-Current Assets Fixed Assets-Tangible Assets 15,00,000 Total 24,00,000 1	5 00 000
b) Reserves and Surplus 2,00,000 2. Non-current Liabilities Long term Borrowings 8,00,000 3. Current Liabilities Trade Payables 4,00,000 Total 24,00,000 1 II. Assets 1. Non-Current Assets Fixed Assets-Tangible Assets 15,00,000 1 2. Current Assets Cash and Cash Equivalents 9,00,000 1	,00,000
2. Non-current Liabilities       8,00,000         3. Current Liabilities       4,00,000         Trade Payables       4,00,000         Total       24,00,000         II. Assets       1         1. Non-Current Assets       15,00,000         Fixed Assets-Tangible Assets       15,00,000         2. Current Assets       9,00,000         Total       24,00,000	3,00,000
Long term Borrowings8,00,0003. Current Liabilities Trade Payables4,00,000Total24,00,000II. Assets11. Non-Current Assets Fixed Assets-Tangible Assets15,00,0002. Current Assets Cash and Cash Equivalents9,00,000Total24,00,00011	
3. Current Liabilities       4,00,000         Trade Payables       4,00,000         Total       24,00,000         II. Assets       1         1. Non-Current Assets       15,00,000         Fixed Assets-Tangible Assets       15,00,000         2. Current Assets       9,00,000         Total       24,00,000	5,00,000
Trade Payables4,00,000Total24,00,000II. Assets11. Non-Current Assets Fixed Assets-Tangible Assets15,00,0002. Current Assets Cash and Cash Equivalents9,00,000Total24,00,0001	, ,
Total24,00,0001II. Assets1Non-Current Assets Fixed Assets-Tangible Assets15,00,00012. Current Assets Cash and Cash Equivalents9,00,0001Total24,00,0001	2,00,000
II. Assets 1. Non-Current Assets Fixed Assets-Tangible Assets 15,00,000 2. Current Assets Cash and Cash Equivalents 9,00,000 Total 24,00,000 1	5,00,000
II. Assets         1. Non-Current Assets         Fixed Assets-Tangible Assets         15,00,000         2. Current Assets         Cash and Cash Equivalents         9,00,000         Total	
1. Non-Current Assets       15,00,000       1         Fixed Assets-Tangible Assets       15,00,000       1         2. Current Assets       9,00,000       1         Total       24,00,000       1	
2. Current Assets Cash and Cash Equivalents Total 2. Current Assets 2. Current Assets 2. Current Assets 2. Current Assets 9,00,000 1	
2. Current Assets Cash and Cash Equivalents 9,00,000 Total 24,00,000 1	10,00,000
Cash and Cash Equivalents     9,00,000       Total     24,00,000	
Total 24,00,000 1	5,00,000
	5,00,000

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Revenue from Operations	18,00,000	15,00,000
Other Income	72,000	45,000
Cost of Materials Consume	8,64,000	6,60,000
Finance Costs	1,80,000	1,80,000
Other Expenses	54,000	1,05,000

	KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION
	CH-1-FUNDAMENTALS OF PARTNERSHIP FIRM WORK SHEFT 1
NAN	AE OF STUDENT:
DAT	
1	In case of fixed capitals, interest on capital
	(a) is credited to Partner's Capital Account.
	(b) is credited to Partner's Current Account.
	(c) may be credited to Partner's Capital or Current Account.
	(d) is debited to Partner's Capital Account
A	(b) is credited to Partner's Current Account.
2	Ram and Shyam are prepared for the year ended 31st March, 2021, which show a profit
	of Rs. 1,50,000 before allowing interest on a loan of Rs. 50,000 from Shyam @ 10% p.a.
	Each partner is entitled to salary as follows: Ram Rs. 15,000 per annum Shyam Rs.
	10,000 per annum.
	What is Ram's total appropriation of profit for the year ended 31st March, 2021?
	(a) Rs. 77,500 (b) Rs. 70,000 (c) Rs. 75,000 (d) Rs. 80,000
A 3	(c) Rs. 75,000 A B C, and D are partners in a firm. They want to expand their business for which
	additional capital and more managerial experts are required. For this they admit more members in their firm. What is the maximum number of additional members that can be admitted by them in the firm: (a) 02 (b) 50 (c) 20 (d) 46
A	(d) 46
4	Sharma and Verma were partners in a firm. The partnership deed provided that interest
	on partnes' drawings will be charged @ 12% per annum. During the year Sharma
	withdrew Rs. 6,000. Interest on his drawings will be :
Δ	(a) Rs. 600 (b) Rs. 330 (c) Rs. 360 (d) Rs. 720
5	Assertion (A): Amit, Bharat and Charu are partners in the firm. The partnership deed
	provided for salary to Amit of Rs. 60,000 p.a. Bharat and Charu also ask for salaries of
	Rs. 60,000 each. Salaries to Bharat and Charu is to be allowed.
	Reason (R): In the absence of Partnership Deed, provisions of the Partnership Act, 1932
	apply. Thus, salaries are not to be allowed to them.
	In the context of above two statements, which of the following is correct?
	(a) Assertion (A) and Reason (R) are correct but the Reason (R) is not
	correct explanation of Assertion (A).
	(b) Both Assertion (A) and Reason (R) are correct and Reason (R) is
1	

	the correct explanation of Assertion (A).								
	(c) Assertion (A) is correct but the Reason (R) is not correct.								
	(d) Assertion (A) is not correct but the Reason (R) is correct.								
A	(d) Assertion (A) is not correct but the Reason (R) is correct.								
6	Interest on partners' loan is to be treated as :-								
	(a) an appropriation out of profits								
	(b) A charge against profits								
	(c ) Both A & B(d) None of A & B								
	(d) None of these								
Α	(b) A charge against profits								
7	3/4 Marks Questions								
/	restite in the ratio 21 with conitale Re 5 00 000 and Re 4 00 000 respectively. Kenika								
	profits in the ratio 2:1 with capitals RS.5,00,000 and RS.4,00,000 respectively. Kanika								
	withdrew the following amounts during the year to pay the hostel expenses of her son.								
	Rs. Rs. Rs. Rs. Rs.								
	1st April 10,000         1st June 9,000         1st Nov. 14,000         1st Dec. 5,000								
	Gautam withdrew Rs.15,000 on the first day of April, July, October and January to pay								
	the office of partnership which was in a nearby shopping complex. Calculate interest on								
Δ	Drawings @6% p.a.								
	Kanika								
	10000*12- 120000								
	9000 10= 90000								
	$14000^{-5} = 70000$								
	$5000^{4} = 20000$								
	300000								
	Rs.30000*6/100*1/12=1500								
	Gautam								
	60000*6/100*7.5/12=2250								
8	Bead the following hypothetical situation, Answer Question No. 1 to 3								
	and Rs.10.00.000 respectively. The firm allowed Puneet to get a commission of 10% on								
	the net profit before charging any commission and Raju to get a commission of 10% on								
	the net profit after charging all commission.								
	Following is the Profit & Loss Appropriation Account for the year ended 31st March 2022								

			Prof	it and loss A	ppropriation A	Account		
	_		for t	the year end	led 31st Marc	h 2022	0	
	Dr.						Cr.	
	Part	iculars		Amt(Rs.)	Particulars	Amt.(Rs.)		
			Puneet's	44.000	By P and L a	a/C		
	(*10/100)			44,000				
	To		Raiu's					
	cap.	a/c(com	mission)					
	Top	rofit tran	sfer to					
	(5	Share in	profit)					
	Pune	eet'scap						
	Raju	i's cap						
				<u></u>		<u></u>		
	1	Raiu's	commission will	be:	1			
		(a)	Rs.40,000					
		(b)	Rs.44,000					
		(C)	Rs.36,000					
		(d)	Rs.36400					
	A	(c)	Rs.36,000					
	2	Puneet	's share of profit	will be:				
		(a)	Rs.1,80,000					
		(b)	Rs.1,44,000					
		(c)	Rs.2,16,000					
		(d)	Rs.1,60,00					
	A	(a)	Rs.1,80,000					
	3	Interes	t on capital of Pu	uneet and R	aju will be:			
		(a)	Allowed		-			
		(b)	Not allowed					
		(c)	Only (a) is co	orrect				
		(d)		orrect				
	A	(a ) On	ly (b) is correct					
9	Maan	ika, Bha	avi and Komal a	re partners	sharing profit	ts in the ratio	of 6:4:1. Komal	l is
	guara	inteed a	minimum profit	of Rs. 2,00	,000. The firm	incurred a los	ss of Rs.22,00,0	00
	for the	e year e	nded 31st Marcl	n,2023. Pas	s necessary j	ournal entry re	garding deficier	۱су
	borne	e by Maa	nika and Bhavi a	and prepare	Profit and Los	ss Appropriatic	on Account.	
A			r	Jour	nal Entry		1	_
	Date	<u>)</u>	Particulars		L.F.	Dr.Rs.	Cr.Rs	_
	31.0	3.2023	Maanika's cap	A/c Di	•	2,40,000		1
			Bhavi's cap A/	c b D	r	1,60,000		
			To Komal	s can			4 00 000	
				5 oap.	/ / 0		<u> </u> <del>-</del> ,00,000	

	(Being the Def	ficiency of k	Komal			
	met by Maanik	a and Bhavi	)			
	Prof					
	for	Cr				
	DI. Darticulars	Amt(Pc)	Particulars		Amt (Ba)	
	To Net Loss (P & L A/c)	22 00 000	Ry Loss trans	fer to	7	
		22,00,000	Maanika's car	)	12 00 (	000
			Bhavi's cap		8,00,0	00
			Komal's cap		2,00,00	00
		22.00.000	-		22 00 0	200
		22,00,000			<u>22,00,0</u>	<u>500</u>
	Loss of the firm: 22,00,000	000*4/44 - 1				
	Komal s share of loss =22,00,	$000^{1}/11 = 1$	RS.2,00,000			
	Guaranteed Minimum profit R	S.2,00,000				
10	Following are the profit and Lo	oss Appropr	iation Account a	and Partn	ers capi	tal Account of
	Asha, Nisha and Kavita Shari	ng profits an	d losses in the	ratio of 2:	1:1. Yo	u are required
	to complete the missing entrie	s and figure	S:			
	Profit and loss App	propriation A	ccount			
	for the year ended	a 31st March	12023			
	DI. Darticulars				Cr.	
	Failiculais	$  \Lambda mt/Dc \Lambda$	Particulare	Amt (P	Cr.	
1	To Interest on Capital	Amt(Rs.)	Particulars	Amt.(R	Cr. ts.)	
	To Interest on Capital	Amt(Rs.)	Particulars By	Amt.(R	Cr. (s.)	
	To Interest on Capital Asha 1,000 Nisha 800	Amt(Rs.)	Particulars By	Amt.(R	Cr. 8s.)	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200	Amt(Rs.)	Particulars By	Amt.(R	Cr. (s.)	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200 To	Amt(Rs.) 2,000	Particulars By	Amt.(R	Cr. (s.)	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200 To	Amt(Rs.) 2,000	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200 To To Nisha's Commission A/c	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	Cr. (s.)	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200 To To Nisha's Commission A/c (13,200 x10/110)	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c(13,200 x10/110)To partners Capital A/c	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c (13,200 x10/110)To partners Capital A/c (Share in profit)	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c (13,200 x10/110)To partners Capital A/c (Share in profit)Asha	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c (13,200 x10/110)To partners Capital A/c (Share in profit)AshaNishaKavita	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c (13,200 x10/110)To partners Capital A/c (Share in profit)AshaNishaKavita	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on CapitalAsha1,000Nisha800Kavita200ToTo Nisha's Commission A/c (13,200 x10/110)To partners Capital A/c (Share in profit)AshaNishaKavita	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	<u>Cr.</u>	
	To Interest on Capital Asha 1,000 Nisha 800 Kavita 200 To To Nisha's Commission A/c (13,200 x10/110) To partners Capital A/c (Share in profit) Asha Nisha Kavita	Amt(Rs.) 2,000  1,200	Particulars By	Amt.(R	Cr. ( <u>s.)</u>	

Dr         Cr.           Particulars         Asha         Nisha         Kavita           ToDrawing A/         6,000         5,000         4,000         By Balance         20,000         19,000         4,000           robrawing A/         6,000         5,000         4,000         By Balance         20,000         19,000         4,000           robrawing A/         6,000         22,000         19,000         4,000         20,000         20,000         20,000         20,000         20,000         4,000           A/c         By         Salary         Rs.2,000         27,000         21,000         9,200         21,000         9,200           A         1. To Kavita's Salary         Rs.2,000         S.200         27,000         21,000         9,200           3. To Partners capital A/c (share Profit) Asha Rs.6,000         Nisha Rs.3,000         Kavita Rs.3,000         Kavita Rs.3,000         Kavita Rs.3,000         Sup Interest on capital A/c (share S.1,000         Nisha Rs.8,00         Kavita Rs.2,000           5. By Interest on capital A/c (share S.1,000         Nisha Rs.8,00         Kavita Rs.2,000         Sup Interest on capital A/c (share S.1,000         Nisha Rs.3,000         By Partnerst Capital A/c (share S.1,000         Nisha Rs.3,000         Sup Partne/capital A/c (share S.1,000		Partner's Capital Account								
Particulars       Asha       Nisha       Kavita       Particulars       Asha       Nisha       Kavita         ToDrawing Ai       6,000       5,000       4,000       By Balance       20,000       19,000       4,000         cd        By Int. on       By Int. on       By Int. on       2,000       19,000       4,000         Ac       By Salary       Ac       By Salary       Ac       2,000       2,000         Ac       27,00       21,000       9,200       Commission       a/c       By Ps L A/c       6,000       3,000         A       1. To Kavita's Salary       Rs.2,000       21,000       9,200       21,000       9,200         A       1. To Kavita's Salary       Rs.2,000       S.9 Profit & loss A/c       Rs.17,200       3,000       4.000         3. To Partners capital A/c Asha Rs.21,000       Nisha Rs.16,000       Kavita Rs.200       5.000       Kavita Rs.200         6. By Commission A/c       Nisha Rs.1,000       Nisha Rs.10,000 respectively.       Profit and loss Apropriation Account for the year ended 31st March, 2023 was Rs.1,38,000.       Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023       Cr.         A       Particulars       Amt(Rs.)       Particulars       Amt(Rs.)		Dr							Cr.	л
ToDrawing A/ To Balance C/d         Formation Balance C/d         5,000 mmm         4,000 by By Balance C/d         By Balance D/d         20,000 By Salary A/c         19,000 By By Balance By Salary A/c         19,000 By By Balance By Commission A/c         4,000 By By Balance By By Balance Commission A/c         19,000 By By Balance By By Balance By By Balance Commission A/c         19,000 By Balance By By Balance By Balance Commission A/c         4,000 By By Balance By By Balance By Balance By Balance Commission A/c         19,000 By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By Balance By By Balance Balance Balanco Balanco Balance Balance Balance Balance Balance Balanco Balan		Particulars	Asha	Nisha	Kavita	Particulars	Asha	Nisha	Kavita	-
C/0       Image: Constant of the second		ToDrawing A/ To Balance	6,000	5,000	4,000	By Balance b/d	20,000	19,000	4,000	
A     1. To Kavita's Salary     Rs.2,000     27.00     21.000     9.200     27.00     21.000     9.200       A     1. To Kavita's Salary     Rs.2,000     27.00     21.000     9.200       A     1. To Kavita's Salary     Rs.2,000     27.00     21.000     9.200       A     1. To Kavita's Salary     Rs.2,000     27.000     21.000     9.200       A     1. To Kavita's Salary     Rs.2,000     21.000     9.200       A     1. To Kavita's Salary     Rs.2,000     21.000     9.200       3. To Partners capital A/c (share Profit) Asha Rs.6,000     Nisha Rs.3,000 Kavita Rs.3,000     Kavita Rs.3,000       4. To Balance c/d     Asha Rs.21,000     Nisha Rs.16,000     Kavita Rs.200       5. By Interest on capital A/c (share Profit) Asha Rs.1,000     Nisha Rs.800     Kavita Rs.200       6. By Commission A/c     Nisha Rs.1,200     Ist March 2022     Ist March 2022       11     Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March 2023 Dr.       7.     Particulars     Amt(Rs.)     Particulars     Amt.(Rs.)       Amay's curr.a/c     <		C/Q				By Int. on capital By Salary				
$ \begin{array}{ c c c c c c } \hline A & \hline Profit and loss Appropriation Account for the year ended 31st March, 2023 was Rs. 1,38,000 . Fig. 4. Arc. Arc. Arc. Arc. Arg. 2,000 and 1,38,000 arc. Arc. Arg. 2,000 arc. Arc. Arg. 3,000 brains arg. 3,000 arc. Arg. 3,000 brains arg. 3,000 brain$						A/c Bv			2,000	
$ \begin{array}{ c c c c c c } \hline \\ \hline $						Commission a/c				
A       1. To Kavita's Salary       Rs.2,000       21,000       9,200         A       1. To Kavita's Salary       Rs.2,000         2. By Profit & loss A/c       Rs. 17,200         3. To Partners capital A/c (share Profit) Asha Rs.6,000       Nisha Rs.3,000         4. To Balance c/d       Asha Rs.21,000       Nisha Rs.6,000       Nisha Rs.5,200         5. By Interest on capital A/c Asha Rs.1,000       Nisha Rs.6,000       Kavita Rs.2,000         6. By Commission A/c Nisha Rs. 1,200       1       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023       Cr.         Particulars       Amt(Rs.)       Particulars       Amt.(Rs.)         To Interest on Capital Afoo       1,8,000       Nonno's curr.a/c       4,500         Rohan's curr.a/c       4,500       18,000       1,38,000         Rohan's curr.a/c       4,500       1,20,000       1,38,000						By P& L A/c	6,000		3,000	
A       1. To Kavita's Salary       Rs. 2,000         2. By Profit & loss A/c       Rs. 17,200         3. To Partners capital A/c (share Profit) Asha Rs.6,000       Nisha Rs.3,000         4. To Balance c/d       Asha Rs.21,000       Nisha Rs.16,000       Kavita Rs.5,200         5. By Interest on capital A/c Asha Rs.1,000       Nisha Rs.16,000       Kavita Rs.5,200         6. By Commission A/c Nisha Rs. 1,200       Sana Rs.1000       Nisha Rs.200         11       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023 Dr.         Cr.       Cr.         Particulars       Amt(Rs.)         To Interest on Capital A/c       By P and L A/c       1,38,000         Amay's curr.a/c       4,500         Rohan's curr.a/c       4,500       1,20,000         Amay 53,000       1,20,000       1,38,000 <th></th> <th></th> <th><u>27,00</u> 0</th> <th><u>21,000</u></th> <th><u>9,200</u></th> <th></th> <th><u>27,000</u></th> <th><u>21,000</u></th> <th><u>9,200</u></th> <th></th>			<u>27,00</u> 0	<u>21,000</u>	<u>9,200</u>		<u>27,000</u>	<u>21,000</u>	<u>9,200</u>	
2. by Profit & loss A/c       Rs. 1/,200         3. To Partners capital A/c (share Profit) Asha Rs.6,000 Nisha Rs.3,000 Kavita Rs.3,000         4. To Balance c/d Asha Rs.21,000 Nisha Rs.16,000 Kavita Rs.5,200         5. By Interest on capital A/c Asha Rs.1,000 Nisha Rs.800 Kavita Rs.200         6. By Commission A/c Nisha Rs. 1,200         11         Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation Account for the year ended 31st March 2023         7. <ul> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Particulars</li> <li>Armt(Rs.)</li> <li>Part L A/c</li> <li>1,38,000</li> <li>Anay 53,000</li> <l< td=""><th>  A  </th><td>1. To Kavit</td><td>a's Sala</td><td>iry</td><td>_R</td><td>s.2,000</td><td></td><td></td><td></td><td></td></l<></ul>	A	1. To Kavit	a's Sala	iry	_R	s.2,000				
3. To Partners capital A/c (share Profit) Asha Rs.6,000       Nisha Rs.3,000         4. To Balance c/d Asha Rs.21,000       Nisha Rs.16,000       Kavita Rs.5,200         5. By Interest on capital A/c Asha Rs.1,000       Nisha Rs.800       Kavita Rs.2,200         6. By Commission A/c Nisha Rs.1,200       Nisha Rs.100,000       Nisha Rs.2,200         11       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         Particulars       Amt(Rs.)         Particulars       Amt(Rs.)         Mamay's curr.a/c       4,500         Rohan 27,000       1,20,000         Amay 53,000       1,38,000         Annol 40,000       1,20,000		2. By Profit	t & loss /	A/C	Ks Nora Dra	5. 17,200 (it) Asks Da 6		aha Da 2	000 1/-	vite
4. To Balance c/d       Asha Rs.21,000       Nisha Rs.16,000       Kavita Rs.5,200         5. By Interest on capital A/c       Asha Rs.1,000       Nisha Rs.800       Kavita Rs.200         11       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         Particulars       Amt(Rs.)         By P and L A/c       1,38,000         Anmol's curr.a/c       4,500         Rohan 27,000       1,20,000         Annol 40,000       1,20,000         Annol 40,000       1,20,000		3. TO Partr Po 3.000	ners cap	ital A/C (s	share Pro	onit) Asha Rs.c	0,000 IN	sna Rs.3	,000 Ka	vita
5. By Interest on capital A/c Asha Rs.1,000       Nisha Rs.800 Kavita Rs.200         11       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       9,000         Anmol's curr.a/c       4,500         Rohan's curr.a/c       4,500         Rohan's curr.a/c       4,500         Rohan's curr.a/c       18,000         In Partner s curr.a/c       1,20,000         Amol 1,20,000       1,38,000		4 To Balar	nce c/d	Asha R	s 21 000	Nisha Rs 16	000 Ka	vita Rs 5	200	
6. By Commission A/c Nisha Rs. 1,200         11       Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       9,000         Anmol's curr.a/c       4,500         Rohan's curr.a/c       4,500         Rohan's curr.a/c       4,500         Iso00       1,20,000		5. By Intere	est on ca	apital A/c	Asha R	s.1,000 Nisha	a Rs.800	Kavita F	Rs.200	
11Amay, Anmol and Rohan entered into partnership on 1st July, 2022 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.AProfit and loss Appropriation Account for the year ended 31st March 2023 Dr.Cr.ParticularsAmt(Rs.)ParticularsTo Interest on Capital Amay's curr.a/cAmt(Rs.)By P and L A/c13,0001,38,0001,38,000		6. By Com	mission	Á/c Nisł	na Rs. 1,2	200				
losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than Rs. 36,000 p.a. Their fixed capital balances are: Rs. 2,00,000, Rs. 1,00,000 and Rs. 1,00,000 respectively. Profit for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.AProfit and loss Appropriation Account for the year ended 31st March 2023 Dr.Cr.ParticularsAmt(Rs.)ParticularsTo Interest on Capital Amay's curr.a/cAmt(Rs.)ParticularsAmay 53,000 Anmol 40,000 Rohan 27,00018,0001,20,0001.38,0001,20,0001,38,000	11	Amay, Anmol a	and Roh	an entere	ed into pa	artnership on 1	st July, 2	2022 to sl	hare pro	fits and
A       Profit and loss Appropriation Account for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       9,000 4,500         Rohan's curr.a/c       4,500 4,500         Nondamic 40,000 Rohan 27,000       1,20,000         1,38,000       1,38,000		losses in the ra	atio of 3:	2:1. Ama	ay quarar	nteed that Roh	an's sha	re of prof	it after c	harging
A       Profit and loss Appropriation Account for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       9,000         Ammol's curr.a/c       4,500         Rohan's curr.a/c       4,500         Its and 40,000       1,20,000         Amol 40,000       1,20,000         Its and 1,20,000       1,38,000		interest on can	ital @ 6	% na w	ould not	he less than F	Rs 36.00	' Nna Th	eir fixed	capital
A       Profit and loss Appropriation Account for the year ended 31st March, 2023 was Rs.1,38,000. Prepare Profit and Loss Appropriation A/c.         A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       By P and L A/c         Amay 53,000 Anmol 40,000 Rohan 27,000       1,20,000         1.38,000       1,38,000		halances are	Rs 2.00	0.000  Rs		00 and Rs 1 (	10,000 re	espectivel	v Profit	for the
A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)         To Interest on Capital Amay's curr.a/c       By P and L A/c       1,38,000         Amay 53,000       18,000       1,20,000         Anmol 40,000       1,20,000       1,38,000		vear ended 31	st March	n 2023 v	was Rs 1	38.000 Prep	are Profi	t and I os	s Annro	nriation
A       Profit and loss Appropriation Account for the year ended 31st March 2023         Dr.       Cr.         Particulars       Amt(Rs.)       Particulars       Amt.(Rs.)         To Interest on Capital Amay's curr.a/c       9,000 Anmol's curr.a/c       By P and L A/c       1,38,000         Rohan's curr.a/c       4,500 Rohan's curr.a/c       18,000       18,000       1,20,000         Interest on 27,000       1,20,000       1,38,000       1,38,000		A/c.		1, 2020 1	10.1	,00,000.110				priation
for the year ended 31st March 2023Dr.Cr.ParticularsAmt(Rs.)ParticularsAmt.(Rs.)To Interest on Capital Amay's curr.a/cBy P and L A/c1,38,000Amay's curr.a/c4,500 18,00018,0001,38,000Rohan's curr,a/c4,500 18,00018,0001,20,000Amay 53,000 Anmol 40,000 Rohan 27,0001,20,0001,38,000	A	Pro	fit and lo	oss Appro	priation	Account				
Dr.         Cr.           Particulars         Amt(Rs.)         Particulars         Amt.(Rs.)           To Interest on Capital         By P and L A/c         1,38,000           Amay's curr.a/c         9,000         By P and L A/c         1,38,000           Anmol's curr.a/c         4,500         18,000         1,38,000           To Partner's curr. a/c         A,500         18,000         1,20,000           Anmol 40,000         1,20,000         1,20,000         1,38,000		for	the year	r ended 3	81st Marc	ch 2023				
ParticularsAmt(Rs.)ParticularsAmt.(Rs.)To Interest on Capital Amay's curr.a/cBy P and L A/c1,38,000Anmol's curr.a/c4,50018,0001,38,000Rohan's curr.a/c4,50018,00018,000To Partner's curr. a/c18,0001,20,0001,20,000Anmol 40,000 Rohan 27,0001,20,0001,38,000Index and the second		Dr.		I .			A	Cr.	_	
Amay's curr.a/c       9,000         Anmol's curr.a/c       4,500         Rohan's curr.a/c       4,500         To Partner's curr. a/c       18,000         Amay 53,000       18,000         Anmol 40,000       1,20,000         Rohan 27,000       1,20,000         1,38,000       1,38,000		Particulars	Conital	/	AMT(RS.)	Particulars	Am A/a 1.2	<u>t.(KS.)</u> 9 000	_	
Anmol's curr.a/c       4,500         Rohan's curr.a/c       4,500         To Partner's curr. a/c       18,000         Amay       53,000         Anmol       40,000         Rohan       27,000         1,20,000       1,38,000		Amay's curr a	/c 9	000		Dy F and L		6,000		
Rohan's curr,a/c       4,500       18,000         To Partner's curr. a/c       Amay       53,000         Anmol       40,000       1,20,000         Rohan       27,000       1,20,000         1,38,000       1,38,000		Anmol's curr.a	a/c 4	.500						
To Partner's curr. a/c         Amay 53,000         Anmol 40,000         Rohan 27,000         1,20,000         1,38,000         1,38,000		Rohan's curr,a	a/c 4	,500	18,000					
Amay 53,000       Anmol 40,000         Rohan 27,000       1,20,000         1,38,000       1,38,000		To Partner's c	urr. a/c							
Anmol 40,000 Rohan 27,000 <u>1,20,000</u> <u>1,38,000</u> <u>1,38,000</u>		Amay 53,00	0							
<u>1,38,000</u> <u>1,38,000</u>		Anmol 40,00	0							
<u>1,38,000</u> <u>1,38,000</u>			00		ı,∠0,000					
<u>1,38,000</u> <u>1,38,000</u>										
<u>1,38,000</u> <u>1,38,000</u>										
<u>1,38,000</u> <u>1,38,000</u>										
				=	1,38,000		<u>1,3</u>	8,000		

Page **17** of **40** 

	Guarantee met for 9 months.						
12	Seema and Meena decided to start a partnership firm to manufacture low cost jute bags as plastic bags were creating many environmental problems. They contributed capitals of Rs 1,00,000 and Rs.50,000 on 1 <sup>st</sup> April 2018 for this. Seema expressed her willingness to admit Neema as a partner without capital, who is specially abled but very creative and intelligent friend of her. Meena agrees to this. The terms of partnership were as follows: (i) Seema, Meena and Neena will share profits in the ratio of 2:2:1. (ii) Interest on Capital will be provided @6%p.a. Due to shortage of Capital, Seema contributed Rs.25,000 on 30 <sup>th</sup> September 2018 and Meena contributed Rs10,000 on 1 <sup>st</sup> January 2019 as additional Capital. The profit of the firm for the year ended 31 <sup>st</sup> March 2019 was Rs1,68,900.						
Α	Working Note:						
	Interest on capital						
	Seema = 1,00,000 x 6/1	00 + 25,000	x 6/100 x6/12 = 6,7	′50 (1Mk)			
	Meena = 50,000 x 6/100	+ 10,000 x 6	$100 \times 6/12 = 3,30$	0 (1Mk)			
		Profit & Los	s Appropriation A/C				
	Dr	1		Cr			
	Particulars	Amount	Particulars	Amount			
	To Interest on Capital Seema - 6750 Meena - 3300	10 050	By Net Profit	1,68,900			
	To Net Divisible Profit	10,000					
	Seema 63,540						
	Meena 63,540	4 50 050					
	Neena 31,770	1,58,850		1 68 900			
13	Piva and Bina are partners	in a firm sha	ring profits and losse	$r_{1,00,000}$			
	Following was the Balance	Sheet of the	firm as on 31-3-202	3.			
	Liabilities An	nount (Rs)	Assets	Amount (Rs)			
	Capitals :Piya 80,000	00.000	Sundry Assets	1,20,000			
	Bina 40,000 <u>1,</u> 1	<u>,20,000</u> 20,000		1 20 000			
	The profits Rs. 30,000 for	the year end	ed 31-3-2023 were c	livided between the partners			
	without allowing interest on	capital @ 12	2% p.a. and salary to	Piya @ Rs 1,000 per month.			
	During the year Piya withdr	rew Rs. 8,000	) and Bina withdrew	Rs. 4,000.			
A	Working Note:	es cleany, pa Priva	Bina	curying entry.			
	Closing Capital 80	) 000	40.000				
	Add: Drawing		4 000				
	Less: Sh of Profit (1)	,000 R 000)	(12,000)				
		0,000)	(12,000)				
	Opening Capital /	U,UUU	3∠,000				
	Correct P & L Approp	priation Acco	unt				

Page **18** of **40** 

TO Interest on Capita	al		By Net Profit	30,000
Priya – 8,400				
Bina 3,840	12,240			
To Salary to Piya	12,000			
To Share of profit	<u>5,760</u>			
	<u>30,000</u>			<u>30,000</u>
	Piya		Bina	
Due Int. on capital	8,400		3,840	
Salary	12,000			
Sh of profit	3,456		2,304	
Total Due(Cr)	23,856		6,144	
Amount Drawn(Dr)	<u>18,000</u>		<u>12,000</u>	
Net Effect	5,856 (Cr)		5,856(DR)	1
Jou	rnal Entries			
Bina's Capital Accour	nt Dr	5,856		
To Piya's Capital	Account		5,856	

	KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION
	CH-1-FUNDAMENTALS OF PARTNERSHIP FIRM WORK SHEFT 1
NAN	AE OF STUDENT:
DAT	
1	In case of fixed capitals, interest on capital
	(a) is credited to Partner's Capital Account.
	(b) is credited to Partner's Current Account.
	(c) may be credited to Partner's Capital or Current Account.
	(d) is debited to Partner's Capital Account
A	
2	Ram and Shyam are prepared for the year ended 31st March, 2021, which show a profit
	of Rs. 1,50,000 before allowing interest on a loan of Rs. 50,000 from Shyam @ 10% p.a.
	Each partner is entitled to salary as follows: Ram Rs. 15,000 per annum Shyam Rs.
	10,000 per annum.
	What is Ram's total appropriation of profit for the year ended 31st March, 2021?
	(a) Rs. 77,500 (b) Rs. 70,000 (c) Rs. 75,000 (d) Rs. 80,000
A	
3	A,B,C, and D are partners in a firm. They want to expand their business for which additional capital and more managerial experts are required. For this they admit more members in their firm. What is the maximum number of additional members that can be admitted by them in the firm: (a) $02$ (b) $50$ (c) $20$ (d) $46$
A	
4	Sharma and Verma were partners in a firm. The partnership deed provided that interest
	on partnes' drawings will be charged @ 12% per annum. During the year Sharma
	withdrew Rs. 6,000. Interest on his drawings will be :
	(a ) Rs. 600 (b) Rs. 330 (c) Rs. 360 (d) Rs. 720
A	
5	Assertion (A): Amit, Bharat and Charu are partners in the firm. The partnership deed
	provided for salary to Amit of Rs. 60,000 p.a. Bharat and Charu also ask for salaries of
	Rs. 60,000 each. Salaries to Bharat and Charu is to be allowed.
	Reason (R): In the absence of Partnership Deed, provisions of the Partnership Act, 1932
	apply. Thus, salaries are not to be allowed to them.
	In the context of above two statements, which of the following is correct?
1	

	(a) Assertion (A) a	nd Reason (R) are corr	ect but the Reason (R) i	s not				
	correct explanatior	n of Assertion (A).						
	(b) Both Assertion (A) and Reason (R) are correct and Reason (R) is							
	the correct explanation of Assertion (A).							
	(c) Assertion (A) is	correct but the Reasor	n (R) is not correct.					
	(d) Assertion (A) is	not correct but the Rea	ason (R) is correct.					
Α								
6	Interest on partner	s' loan is to be treated	as :-					
	(a) an appropriation	on out of profits						
	(b) A charge agair	nst profits						
	(c ) Both A & B(d)	None of A & B						
	(d) None of these							
A								
		3/4 Marl	s Questions					
7	Kanika and Gauta	m are partner's. Doing	a dry cleaning busines	s in Lucknow, sharing				
	profits in the ratio	2:1 with capitals Rs.5	,00,000 and Rs.4,00,00	0 respectively. Kanika				
	withdrew the follow	ving amounts during the	e year to pay the hostel e	expenses of her son.				
	Rs.	Rs.	Rs.	Rs.				
	1st April 10,000	1st June 9,000	1st Nov. 14,000	1st Dec. 5,000				
	Gautam withdrew rent for the accom	Rs.15,000 on the first modation of his family.	day of April, July, Octob He also paid Rs.20.000	per and January to pay per month as rent for				
	the office of partne Drawings @6% p.a	ership which was in a n a.	earby shopping complex	. Calculate interest on				
A								

and F the n the n	Rs.10.00.000 respectivel et profit before charging et profit after charging a	ly. The firm a any commis Il commissio	allowed Puneet to ssion and Raju to n.	get a commise get a commise	sion of 109 sion of 109
Follo	wing is the Profit & Loss	Appropriatio	n Account for the	year ended 31	st March 2
D	Pro for	fit and loss A the year end	Appropriation Accorded 31st March 20	ount )22	
Dr. Part	iculars	Amt(Rs.)	Particulars	Cr.	1
To Cap (*	Puneet's ital(commission 10/100)	44,000	By P and L a/c		-
To Raju's cap.a/c(commission) To profit transfer to (Share in profit) Puneet'scap Raju's cap					
			-		-
1	Raju's commission wil (a) Rs.40,000 (b) Rs.44,000 (c) Rs.36,000 (d) Rs.36400	l be:			
A					
2	Puneet's share of prof (e) Rs.1,80,000 (f) Rs.1,44,000 (g) Rs.2,16,000 (h) Rs.1,60,00	it will be:			
A					
3	Interest on capital of P (e) Allowed (f) Not allowed	uneet and R	aju will be:		

9	Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of Rs. 2,00,000. The firm incurred a loss of Rs.22,00,000 for the year ended 31st March,2023. Pass necessary journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.								
A									
10	Following are t	he profit	and Lo	ss Approp	priation Accour	nt and F	Partners ca	pital Acc	ount of
	Asha, Nisha an	nd Kavita missina	a Sharir a entrie	ng profits a	and losses in th 'es'	ne ratio	of 2:1:1. Y	ou are r	equired
	Pro	fit and lo	oss App	ropriation	Account				
	for	the yea	r ended	31st Marc	ch 2023				
	Dr.			Amt/Da)	Dortiouloro	Δ.	Cr.		
	To Interest on	Canital		Ami(RS.)	By	Particulars Affit.(RS.)		_	
	Asha	1,000			Dy	•  ••			
	Nisha	800							
	Kavita	200		2,000					
	10								
	To Nisha's Co (13,200 x10	ommissio )/110)	on A/c	1,200					
	To partners C	apital A/	′c						
	(Snare in p	orofit)							
	Nisha								
	Kavita								
			-	17,200		17	<u>,200</u>		
	L	-	 	0 11 1 1					
	Dr	F	artner	s Capital A	ACCOUNT			Cr	
	Particulars	Asha	Nisha	Kavita	Particulars	Asha	Nisha	Kavita	]
	ToDrawing A/	6,000	5,000	4,000	By Balance				
	lo Balance				b/d By let on	20,00	19,000	4,000	
		•••••			capital				
					By Salary				
					A/c			2,000	

					By Commission a/c By P& L A/c	6,000		3,000	
		<u>27,00</u>	<u>21,000</u>	<u>9,200</u>		<u>27,000</u>	<u>21,000</u>	<u>9,200</u>	
A									
11	Amay, Anmol a losses in the ra interest on cap balances are: year ended 31 A/c.	and Roh atio of 3: ital @ 6 Rs. 2,00 st Marcl	an entere 2:1. Ama % p.a wo ),000, Rs n, 2023 v	ed into pa ny guaran ould not a. 1,00,00 vas Rs.1	artnership on 1 nteed that Roh be less than F 00 and Rs. 1,0 ,38,000. Prepa	st July, 2 an's shar Rs. 36,00 00,000 re are Profit	2022 to s re of prof 0 p.a. Th spectivel and Los	hare pro it after cl eir fixed y. Profit s Appro	fits and harging capital for the priation
A									
12	Seema and Me as plastic bags Rs 1,00,000 ar to admit Neema intelligent friend (iii) See (iv) Inter	eena deo were cr nd Rs.50 a as a p d of her. ma, Mee est on C	cided to s eating ma ),000 on artner wit Meena a ena and N capital wil	tart a pa any envir 1 <sup>st</sup> April hout cap grees to leena w l be prov	rtnership firm f onmental prob 2018 for this. S bital, who is spe this. The term ill share profits rided @6%p.a.	to manufa lems. The Seema ex ecially ab is of partr in the rat	acture lov ey contrik xpressed led but ve nership w tio of 2:2:	v cost jut buted cap her willi ery creat ere as fo 1.	te bags bitals of ngness ive and bllows:

	Due to shortage of Capital , Seema contributed Rs.25,000 on 30 <sup>th</sup> September 2018 and Meena contributed Rs10,000 on 1 <sup>st</sup> January 2019 as additional Capital. The profit of the firm for the year ended 31 <sup>st</sup> March 2019 was Rs1,68,900.									
	Prepare the profit and loss Appropriation account for the year ended 31 <sup>st</sup> march 2019									
A										
13	Piya and Bina are partners in a firm sharing profits and losses in the ratio of 3 : 2.Following was the Balance Sheet of the firm as on 31-3-2023.LiabilitiesAmount (Rs)AssetsAmount (Rs)Capitals :Piya80,000Bina40,0001,20,00									
A										

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION							
CH-2- GOODWILL: NATURE AND VALUATION							
	WORK SHEET 2						
NAM	NE OF STUDENT:						
DATE:							
1	The term 'Number of Years' Purchase' means						
	(a) The number of years during which the purchaser of Goodwill expects that the						
	profit due to goodwill are likely to arise in future.						
	(b) Number of years for which goodwill is purchased.						
	(c) Number of years for which goodwill purchased will not help the firm in earning						
	similar profits.						
	(d) None of the above.						
Α	(a) The number of years during which the purchaser of Goodwill expects that the						
	profit due to goodwill are likely to arise in future.						
2	Total Capital employed in the firm is 8.00.000. Normal Rate of Return is 15% and profit						
	for the year is 1.20.000. Value of goodwill as per Capitalisation Method would be						
	(a) 8.20.000.						
	(b) 1,20,000.						
	(c) Nil						
	(d) 4,20,000.						
Α	(c) Nil						
3	M/s. Supertech India has assets of 5,00,000, whereas Liabilities are: Partners Capitals-						
	3.50,000 General Reserve 60,000 and Sundry Creditors- 90,000. If Normal Rate of						
	Return is 10% and Goodwill of firm is valued at 90,000 at 2 years' purchase of Super						
	Profit, the Average Profit of the firm will be						
	(a) 46,000						
	(b) 86,000.						
	(c) 1,63,000						
	(d) 23,000.						
A	(b) 86,000.						
4	Information:						
	Capital Accounts of Partners Naresh and Vikesh- 5,00,000 each: Balances in Current						
	Accounts of Naresh and Vikesh- 50,000 and 40,000 respectively; Bank Loan-						
	10,00,000; Goodwill 50,000; Investments-25,000; Advertisement Suspense-15,000.						
	Based on the above information, Capital Employed for the purposes of valuation of						
	Goodwill will be						
	(a) 10,90,000.						
	(b) 10,75,000.						
	(c) 10,00,000.						
	(d) 10,40,000.						
A							
5	Given below are two statements (in each question), one labelled as Assertion (A) and						
	other labelled as Reason (R)						
	Assertion (A): Goodwill is an intangible asset because of which an enterprise is likely						
	to earn higher profits without putting extra efforts.						
	Reason (R): Goodwill is an intangible asset as it exists but does not have a physical						
	existence. Also, if an enterprise enjoys goodwill, it will have repeated sustamors and						
	will also attract more customers due to which sales will increase and thus the profits						
	In the context of above two statements, which of the following is correct?						

	(a) Assertion (A) and Reason (R) are correct but the Reason (R) is not the correct									
	explanation Assertion (A).									
	(b) Both A	ssertion (A) and Reas	on (R) are c	orrect a	and Reason (F	R) is the correct				
	explanation of Assertion									
	(c) Both A	ssertion (A) and Reas	son (R) are n	ot corre	ect.					
	(d) Assertion (A) is not correct but the Reason (R) is correct									
A	(b) Both Assertion (A) and Reason (R) are correct and Reason (R) is the									
6	correct explanation of Assertion									
0	Assertion (A): Self-generated Goodwill is recognised in the books of account on reconstitution of a firm because amount is exchanged between the gaining partner or									
	Partners and	Sacrificing partner of p	Dartners.	oooto	Solf gonorate	d Coodwill is not				
	Reason (R).	the h of accounts had		ssels,	Sell-generale	a Goodwill is not				
	In the context	of above two stateme	ause line vai	the fo	ol paid for it.	rect?				
		tion ( $\Delta$ ) and Reason (I	R) are correc	t hut th	nowing is con he Reason (R)	is not the correct				
	explar	nation Assertion (A)	t) are correc	n bat ti						
	(b) Both A	Assertion (A) and Rea	son (R) are c	orrect	and Reason (	R) is the correct				
	explar	nation of Assertion				.,				
	(c) Both A	Assertion (A) and Rea	son (R) are r	not corr	ect.					
	(d) Assert	ion (A) is not correct b	out the Reaso	on (R)	is correct					
Α	(d) Assertion	(A) is not correct but t	he Reason (I	R) is co	orrect					
		3/4	Marks que	stions						
7	Purav and Pu	urvi are partners in a r	firm sharing	profits	and losses in	the ratio of 2 : 1.				
	They decide	to take Parv into part	nership for 1	/4th sh	are on 1st Ap	oril, 2019. For this				
	purpose, good	dwill is to be valued at	four times th	e aver	age annual pr	ofit of the previous				
	four or five ye	ears, whichever is hig	her. The agr	eed pr	ofits for good	will purpose of the				
	past five year	s are:	0004	0000						
	Year 2	2019 2020	2021	2022	2023					
	Profits	14,000   15,500	10,000	16,00	0 15,000					
	Calculate the	valve of goodwill.	Drofit moth		waraga profit	por voor x Vooro				
A	Durchasa - B			0u – F	werage prom	per year × rears				
	Purchase = 1	odwill under Average	9,400 Profit meth	od = 4	verade profit	ner vear x Years				
	Purchase = R	$14 125 \times 4 = \text{Rs} 50$	6 500	0u - 7	werage prone					
	Goodwill of t	he firm will be the hid	aher value of	f the a	bove two opti	ons i.e. 56.400 or				
	56,500.		<b>,</b>			,,				
	So the goodw	vill of the firm will be 50	6,500							
8	Parul , Paresl	n and Rahul are partn	ers in a firm.	Firm g	ave loan to R	ahul on 1 <sup>st</sup>				
	February,202	2 of Rs.6,00,000. Inte	rest was agr	eed to	be charged @	)6% p.a. Interest				
	was paid by c	heque up to February	,2023 by Ra	hul on	5 <sup>th</sup> March,202	3 and balance				
	was yet to be	paid by him.								
	Pass the jour	nal entries for interest	on loan to pa	artner						
A			Journal Ent	ry						
	Date	Particulars		L.F.	Dr.Rs.	Cr.Rs				
	1.2.2022	Rahul'scapA/c	Dr		6,00,000					
		To cash/Bank A/c				6,00,000				
		(Reing Loan given to	Rahul)	1						
		Denny Loan given te								
	28.2.2022	Rahul's Capital A/c .	Dr		3,000					

Page **27** of **40** 

		(Being Interest on Ioan		
	E 2 2022	Charged)	2 000	
	5.3.2023	Bank A/C Dr	3,000	2 000
		To Ranuis Capital A/C		3,000
	24.0.0000	(Being Interest Received)	2.000	
	31.3.2023	Ranul's Cap.A/c Dr	3,000	0.000
		I o Int.on Ioan to Ranul A/c		3,000
		(Being Interest charged)		
	31.3.2023	int.on loan to RahulA/c Dr.	6,000	0.000
-		I o profit and loss A/c		6,000
9	Ayub and Am	t are partners in a firm and they adn	nit Jaspal into partner	ship w. e. f. 1st
	April, 2023. 11	ney agreed to value goodwill at 3 yea	ars' purchase of Supe	r Profit Method
	for which they	decided to average profit of last 5	years. The profit for t	he last 5 years
	were:			Г
	Year Ended	Net pr	ofit(Rs.)	_
	31 <sup>st</sup>	1,50,000		
	March,2019			_
	31 <sup>st</sup>	1,80,000		
	March,2020			_
	31 <sup>st</sup>	1,00,000 (Including abnormal lo	oss of \$ 1,00,000)	
	March,2021			_
	31 <sup>st</sup>	2,60,000 (Including abnormal	gain(profit) of Rs.	
	March,2022	40,000)		_
	31 <sup>st</sup>	2,40,000		
	March,2023			
	The firm has t	otal assets of Rs 20,00,000 and Ou	tside Liabilities of Rs	5,00,000 as on
	that date. Nor	mal Rate of Return in similar busines	s is 10%. Calculate va	lue of goodwill.
	(Calculate val	ve of goodwill).		
A	Value of Good	awill under Super Profit Method		
	Good WIII = S	uper Profit × Years' Purchases		
	$= 48,000 \times 31$	ears n		
	- KS. 1,44,00	u Modao: Actual or Avorago Profit		
	$-\int (1.50.000)$			)/(5)]
	$-\{(1,50,000,000,000,000,000,000,000,000,000$	1,00,000+1,00,000+1,00,000+2,00,	000-40,000+2,40,000	)/(3)}
	Actual Capital	- Assets - Liphilities		
	= 20 000 00	= 500000 = 15000000000000000000000000000		
	Normal Profit	= Actual Capital × Rate of Return		
	$= 15.00.000 \times$	10/100 = 1.50,000		
	Super Profit =	Average Profit – Normal Profit		
	= (1.98.000 -	(1.50,000) = 48,000		
10	A business h	as earned average profit of Rs 4 00 (	000 during the last fev	v vears and the
	normal rate of	return in similar business is 10% F	ind value of goodwill I	ov:
	i. Car	italisation of Super Profit Method		J -
	ii. Sur	er Profit Method if the goodwill is va	lued at 3 years' purch	ase of super
	prof	its.	, ,	1
	Ass	ets of the business were Rs 40.0	0,000 and its externation	al liabilities Rs
	7,20	),000.		
Α	Actual or Ave	age Profit Rs. 4,00,000		
		-		

	Or Expected capital = 40,00,000								
	Actual Capital = Assets – Liabilities = $40.00.000 - 7.20.000 = Rs. 32.80.000$								
	= 40,00,000 – 7,20,000 = Rs. 32,80,000 Value of Goodwill under Capitalisation of Average Profit Method Goodwill = Capitalised								
	Value of Goodwill under Capitalisation of Average Profit Method Goodwill = Capitalised value of Average Profit – Actual Capital								
	value of Average Profit – Actual Capital = 40 00 000 – 32 80 000 × 10/100								
	$= 40,00,000 - 32,80,000 \times 10/100$ = Rs 7 20,000								
	= Rs. 7,20,000								
	Super Profit = Average Profit – Normal Profit								
	= 4,00,000 -	32,80,000 × 10	/100						
	= 4,00,000 -	3,28,000							
	= Rs. 72,000								
	(1) Value of G	Goodwill under (	Capitalisation o	of Super Profit	Method				
	= Super Profi	t × Reverse Rat	e of Return						
	$= 72,000 \times 10$	00/10							
	= 7,20,000								
	(2) Value of G	Soodwill under S	Super Profit Me	ethod					
	= Super profi	t × Years purch	ase						
	$= 72,000 \times 3$	•							
	= RS. 2,16,00								
11	Average profi		s RS. 50,000	per year. Avei	rage capital err	ipioyea in the			
		(S. 3,00,000. 11 dwill of the firm			or capital empi	oyeu is 10%,			
		or Profit Metho	Dy. Ind at three year	re' nurchasa					
	(i) Sur (ii) Car	nitalisation of S	uner Profit Met	bod					
Δ	Goodwill by S	Super Profit Met	hod at three ve	ar's Purchase	<u>.</u>				
	(Average Pro	ofit – Normal Pro	nioù al tinice ye ofit) x Years Pi	urchase	· ·				
	(Average Pro	ofit – Capital Fr	ploved × Norn	nal Rate of Re	turn) × Year's F	Purchase			
	$(50\ 000 - 3\ 0$	$0.000 \times 10/100$	) × Year's Pu	rchase					
	(50,000 - 30)	.000) × 3 vears	Purchase						
	$= 20.000 \times 3^{\circ}$	Years = Rs. 60.	000						
	Goodwill by c	apitalisation of	Super Profit M	ethod					
	(Average Pro	fit – Normal Pro	fit) × Reverse	of Rate of Ret	urn				
	(Average Pro	ofit – Capital Er	nployed × Nor	mal Rate of R	Return) × Rever	rse of Rate of			
	Return	-							
	= (50,000 – 3	,00,000 × 10/10	0) × Reverse	of Rate of Ret	urn				
	= (50,000 – 3	30,000) × 100/1	0						
	= Rs. 2,00,00	00							
12	Sumit purcha	sed Amit's busir	ness on 1st Api	ril, 2023. Good	will was decide	d to be valued			
	at two years'	purchase of av	erage normal	profit of last fo	our years. The	profits for the			
	past four year	rs were:		O 4 st M					
	Year	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March				
	Drofito	2020	2021	2022	2023				
	Profiles	00,000	1,45,000	1,00,000	2,00,000				
	(i) Abnormal	loss of Rs 20	iai. NNN was dahit	ed to Profit an	d Loss Accour	t for the year			
	ended 31st M	arch 2015				it for the year			
	(ii) A fixed as	set was sold in	the vear ende	d 31st March	2016 and dain	(profit) of Rs			
	25.000 was c	redited to Profit	and Loss Acc	ount.	_o.o ana gam	(19:011) 01 1(0:			
	(iii) In the ve	ar ended 31st l	March, 2017 a	ssets of the f	irm were not ir	nsured due to			
	oversight. Ins	urance premiun	n not paid was	Rs. 15,000. Ca	alculate the valu	ue of goodwill.			

# Goodwill=Average Profit×No. of years' purchase=1,41,250×2=Rs. 2,82,500

# Working Notes:

А

# WN: 1 Calculation of Normal Profits

Year	Profit/(Loss) (₹)	Adjustment	Normal Profit (₹)
31 March, 2016	80,000	20,000	1,00,000
31 March, 2017	1,45,000	(25,000)	1,20,000
31 March, 2018	1,60,000	(15,000)	1,45,000
31 March, 2019	2,00,000	-	2,00,000
			5,65,000

Average profit = 5,65,000/4= Rs.1,41,250

KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION								
CH-2- GOODWILL: NATURE AND VALUATION								
	WORK SHEET 2							
NAME OF STUDENT:								
DAT								
1	<ul> <li>The term 'Number of Years' Purchase' means</li> <li>(a) The number of years during which the purchaser of Goodwill expects that the profit due to goodwill are likely to arise in future.</li> <li>(b) Number of years for which goodwill is purchased.</li> <li>(c) Number of years for which goodwill purchased will not help the firm in earning similar profits.</li> <li>(d) None of the above.</li> </ul>							
A								
2	Total Capital employed in the firm is 8,00,000, Normal Rate of Return is 15% and profit for the year is 1.20,000. Value of goodwill as per Capitalisation Method would be (e) 8,20,000. (f) 1,20,000. (g) Nil (h) 4,20,000.							
A								
3	<ul> <li>M/s. Supertech India has assets of 5,00,000, whereas Liabilities are: Partners Capitals- 3.50,000 General Reserve 60,000 and Sundry Creditors- 90,000. If Normal Rate of Return is 10% and Goodwill of firm is valued at 90,000 at 2 years' purchase of Super Profit, the Average Profit of the firm will be</li> <li>(a) 46,000</li> <li>(b) 86,000.</li> <li>(c) 1,63,000</li> <li>(d) 23,000.</li> </ul>							
A								
4	Information: Capital Accounts of Partners Naresh and Vikesh- 5,00,000 each: Balances in Current Accounts of Naresh and Vikesh- 50,000 and 40,000 respectively; Bank Loan- 10,00,000; Goodwill 50,000; Investments-25,000; Advertisement Suspense-15,000. Based on the above information, Capital Employed for the purposes of valuation of Goodwill will be (a) 10,90,000. (b) 10,75,000. (c) 10,00,000. (d) 10,40,000.							
A								
5	Given below are two statements (in each question), one labelled as Assertion (A) and other labelled as Reason (R) Assertion (A): Goodwill is an intangible asset because of which an enterprise is likely to earn higher profits without putting extra efforts.							

	Reason (R): Goodwill is an intangible asset as it exists but does not have a physical existence. Also, if an enterprise enjoys goodwill, it will have repeated customers and will also attract more customers due to which sales will increase and thus the profits. In the context of above two statements, which of the following is correct?									
	<ul> <li>(e) Assertion (A) and Reason (R) are correct but the Reason (R) is not the correct explanation Assertion (A).</li> <li>(f) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion</li> </ul>									
	(g) Both	Assertion (A)	A) and Reas	son (R) are	not correct.	rrect				
A						ilect				
6	<ul> <li>Assertion (A): Self-generated Goodwill is recognised in the books of account on reconstitution of a firm because amount is exchanged between the gaining partner or partners and sacrificing partner or partners.</li> <li>Reason (R): According to A5 26, Intangible Assets, Self-generated Goodwill is not recognised in the b of accounts because the value is not paid for it.</li> <li>In the context of above two statements, which of the following is correct?</li> <li>(d) Assertion (A) and Reason (R) are correct but the Reason (R) is not the correct explanation Assertion (A).</li> <li>(e) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion</li> <li>(f) Both Assertion (A) and Reason (R) are not correct.</li> <li>(d) Assertion (A) is not correct but the Reason (R) is correct</li> </ul>									
7	Purav and I They decide purpose, go four or five past five ve	Purvi are pa e to take Pa oodwill is to t years, whicl ars are:	3/4 artners in a arv into part be valued at hever is hig	<u>Marks qu</u> firm sharing nership for four times t her. The ag	profits and 1/4th share he average preed profits	losses in th on 1st April annual profit for goodwill	e ratio of 2 : 1. , 2019. For this of the previous purpose of the			
	Year	2019	2020	2021	2022	2023				
	Profits Calculate th	14,000 ne valve of o	15,500 oodwill	10,000	16,000	15,000				
A										

	Parul , Paresh a	and Rahul are partners in a firm. Firm gave loan to Rahu	l on 1 <sup>st</sup>					
	February,2022 of Rs.6,00,000. Interest was agreed to be charged @6% p.a. Interest							
	was paid by cheque up to February,2023 by Rahul on 5 <sup>th</sup> March,2023 and balance							
	was yet to be paid by him. Pass the journal entries for interest on loan to partner							
	Pass the journal entries for interest on loan to partner							
Α								
9	Avub and Amit a	are narthers in a firm and they admit Jasnal into narthers	1 · · · · · · · ·					
U	/ gab and / and	are particis in a nim and they admit baspar into particis	ship w. e. f. 1st					
	April, 2023. The	ey agreed to value goodwill at 3 years' purchase of Super	Profit Method					
	April, 2023. The for which they c	ey agreed to value goodwill at 3 years' purchase of Super lecided to average profit of last 5 years. The profit for th	Profit Method e last 5 years					
	April, 2023. The for which they c were:	ev agreed to value goodwill at 3 years' purchase of Super lecided to average profit of last 5 years. The profit for th	Profit Method e last 5 years					
	April, 2023. The for which they o were: Year Ended	ere parties in a firm and they admit dasparinto parties by agreed to value goodwill at 3 years' purchase of Super lecided to average profit of last 5 years. The profit for the Net profit(Rs.)	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup>	Are particles in a firm and they admit dasparent basparent particles         y agreed to value goodwill at 3 years' purchase of Super         decided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000	Profit Method Profit 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019	Net profit(Rs.)	Profit Method ne last 5 years					
	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup>	Arrest and they admit dasparation partners         ey agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for th         Net profit(Rs.)         1,50,000         1,80,000	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020	All particles in a limit and they admit baspar into particles of super service of super lecided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup>	All particles in a limit and they admit dasparent basparent particles are particles and they agreed to value goodwill at 3 years' purchase of Super decided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021	are particles in a limit and they admit dasparent oparticles are particles of y agreed to value goodwill at 3 years' purchase of Super decided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup>	are particles in a limit and they admit dasparent basparent operations         agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022	are particles in a limit and they admit dasparent basparent operations of a greed to value goodwill at 3 years' purchase of Super decided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup>	are particles in a limit and they admit dasparent basparent baspa	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023	are particles in a limit and they admit dasparent operations of super second to value goodwill at 3 years' purchase of Super second to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000	nip w. e. f. 1st Profit Method ne last 5 years					
	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot	are particles in a limit and they admit dasparent basparent operations of a series of super lecided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000         assets of Rs 20,00,000 and Outside Liabilities of Rs 5	5,00,000 as on					
	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma	are particles in a limit and they admit dasparent oparticles of a series of value goodwill at 3 years' purchase of Super decided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate val	5,00,000 as on ue of goodwill.					
	April, 2023. The for which they c were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate value)	are particles in a limit and they admit dasparent basparent between a spectrum of the profit of last 3 years' purchase of Super lecided to average profit of last 5 years. The profit for the Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000         assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	are particles in a nim and they admit basparinto particles         y agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.         40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	are particles in a nim and they admit basparinto particles         agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.         40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	are particles in a limit and they admit dasparinto particles         ay agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.         40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	are particles in a mini and they admit dasparinte particles         evided to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate value of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	are particles in a mini and they admit dasparinto particles         ey agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs. 40,000)         2,40,000         are of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	acc particles in a infinition the goodwill at 3 years' purchase of Super         y agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.         40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					
A	April, 2023. The for which they of were: Year Ended 31 <sup>st</sup> March,2019 31 <sup>st</sup> March,2020 31 <sup>st</sup> March,2021 31 <sup>st</sup> March,2022 31 <sup>st</sup> March,2023 The firm has tot that date. Norma (Calculate valve)	acception       and they admit baspar into particles         y agreed to value goodwill at 3 years' purchase of Super         lecided to average profit of last 5 years. The profit for the         Net profit(Rs.)         1,50,000         1,80,000         1,00,000 (Including abnormal loss of \$ 1,00,000)         2,60,000 (Including abnormal gain(profit) of Rs.         40,000)         2,40,000         al assets of Rs 20,00,000 and Outside Liabilities of Rs 5 al Rate of Return in similar business is 10%. Calculate vale of goodwill).	5,00,000 as on ue of goodwill.					

10	A business has earned average profit of Rs 4,00,000 during the last few years and the normal rate of return in similar business is 10%. Find value of goodwill by: iii. Capitalisation of Super Profit Method. iv. Super Profit Method if the goodwill is valued at 3 years' purchase of super profits. Assets of the business were Rs 40,00,000 and its external liabilities Rs 7.20.000.
A	.,,
11	Average profit of GS & Co. is Rs. 50,000 per year. Average capital employed in the business is Rs. 3,00,000. If the normal rate of return of capital employed is 10%, calculate goodwill of the firm by: (iii) Super Profit Method at three years' purchase.
A	(IV) Capitalisation of Super Profit Method.
12	Sumit purchased Amit's business on 1st April, 2023. Goodwill was decided to be valued at two years' purchase of average normal profit of last four years. The profits for the past four years were:

	Year	31 <sup>st</sup> 1	March	31 <sup>st</sup>	March	31 <sup>st</sup> March	31 <sup>st</sup>	March	
	Ended	2020		2021		2022	2023		
	Profits	80,000		1,45,	000	1,60,000	2,00,	000	
	Books of Acc	ount reve	ealed th	nat:					-
	(i) Abnormal	loss of F	Rs. 20,	000 w	as debit	ed to Profit an	d Los	s Accou	nt for the year
	ended 31st N	larch, 20	15.						
	(ii) A fixed as	set was s	sold in	the ye	ar ende	d 31st March,	2016	and gair	n (profit) of Rs.
	25,000 was c	redited to	o Profit	and L	oss Acc	ount.		-	
	(iii) In the ye	ar ended	d 31st I	March	, 2017 a	assets of the fi	rm we	ere not i	nsured due to
	oversight. Ins	urance p	remiun	n not p	aid was	Rs. 15,000. Ca	alculat	e the val	ue of goodwill.
A									

## KENDRIYA VIDYALAYA SANGATHAN – AHMEDABAD REGION

## **CH-6 – ISSUE OF DEBENTURES**

### WORK SHEET -1

#### NAME OF STUDENT:

# DATE: Q.1 Define the term "Debenture' and write three points of difference between "Shares and Debentures" based on the following points: 1. Ownership 2. Repayment 3. Voting rights 4. Risk Ans Points of Shares Debentures

Ans	Points of difference	Shares	Debentures				
Q.2	Explain the types of debentures of following categories:						
	1. Security point of view						
	2. Redemption point of view						
	3. Regist	ration point of view					
	4. Convertibility point of view						
Ans							

Q.3	When security premium reserve can be utilised? Write your answer with reference to section52(2) of Companies Act, 2013					
Ans						
O.4	A Ltd. Iss	sued10,000 ; 9% debentures of Rs. 100 each	n at a pre	mium of 10% paya	able as Rs.25 on	
	Application	on, Rs. 35 on allotment(including premium	) and the	balance on first ar	nd final call.	
	Application money we	on were received for 15,000 debentures. Al ere duly received.	lotment v	was made on pro ra	ata basis. All the	
	Journalise	e the above transactions and prepare the ext	ract of ba	alance sheet		
Ans		JOURNAL OF A L	LTD.			
	DATE	PARTICULAR	L. F	DR. AMOUNT	CR. AMOUNT	
	BALANCE SHEET OF A LTD AS ON					
	PARTICULARS			NOTE	AMOUNT	
				NO.		
					]	

	·	KENDRIYA VIDYALAYA SANGATI	HAN – A	HMEDABAD R	REGION	
CH-6 –ISSUE OF DEBENTURES						
	WORK SHEET -2					
NAM	IE OF ST	TUDENT:				
DAT	E:					
Q.1	Vayu Ltd purchased the following assets from Agnee Ltd:					
	Land and building Rs. 60,00,000 ; Plant and Machinery Rs. 40,00,000 at Rs. 36,00,000.					
	The purchase consideration was Rs. 1,10,00,000. Payment was made by issuing cheque of Rs. 20,00,000 in favour of Agnee Ltd, and remaining by issue of 8% Debentures of Rs. 100 each at a premium of 20%					
	Record	necessary journal entries in the books of Va	iyu Ltd.			
Ans	DT	PARTICULARS	LF	DR.AMT	CR.AMT	
Q.2	2 Pruthvi Ltd took a loan of Rs.8,00,000 from State bank of India and issued 10,000; 9% debentures of Rs. 100 each as collateral security.					
	Pass necessary journal entry in the books of Pruthvi Ltd.					
	How the	e above transaction will be treated in balanc	e sheet w	hen journal entry	y will not be passed?	
Ans	Date	Particular	Lf	Dr. amount	Cr. amount	
		Delever sheet of Druther I tol As				
Balance sneet of Pruthvi Ltd. As on						
	particu	particular			amount	

	Notes	to accounts:				
Q.3	Pass necessary journal entries in the books of Jal Ltd in the following different cases for issue of					
	debentures:					
	1. Issued 30,000; 10% debentures of Rs. 100 each at discount of 5% repayable at par after 5 years.					
	2. Issued 10% debentures of Rs. 100 each for the total face value of Rs. 40,00,000 at a premium of 5%, redeemable at par after 5 years.					
	3. Issued Rs. 50,00,000,10% debentures of Rs. 100 each at par, redeemable at Rs. 105 after 10 years.					
	4. Issued Rs. 60,00,000, 10% debentures of Rs. 100 each at discount of 5%, repayable at a premium of 10%					
	5. Issued 70,000;10% debentures of Rs. 100 each at a premium of 5%, redeemable at 110% after					
	5 years.					
Ans	JOURNAL OF JAL LTD.					
	DATI	E PARTICULAR	L. F	DR. AMOUNT	CR. AMOUNT	