Kv Porbandar
Session 2023-24
Holiday Homework

Class-12th-B (Commerce) **Subject- Accountancy**

(1) In the absence of Partnership Deed, profit of a firm is divided among the partners-
(a) In the ratio of capital
(b) Equally
(c) In the ratio of time devoted for the firm's business
(d) according to the managerial abilities of the partners

(2) Tangible Assets of the firm are ₹ 14,00,000 and outside liabilities are ₹ 4,00,000. Profit of the firm is ₹ 1,50,000 and normal rate of return is 10%. The amount of capital employed will be-
(a) ₹ 10,00,000 (b) ₹ 1,00,000 (c) ₹ 50,000 (d) ₹ 20,000

(3) **Assertion (A):** Change in Profit-sharing Ratio is not a reconstitution of partnership.
Reason (R): Winding-up of the firm is reconstitution of business.
In the context of above two statements, which of the following is correct?
(a) **A** and **R** are correct but the **R** is not the correct explanation of **A**.
(b) Both **A** and **R** are correct and **R** is the correct explanation of **A**.
(c) Only **A** is correct.
(d) Both **A** and **R** are incorrect.

(4) *A* and *B* are partners in the ratio of 3:2. *C* is admitted as a partner and he takes $1/4^{th}$ share from *A*, *B* gives $3/16^{th}$ from *C*. What is the share of *C*?
(a) 1/4 (b) 7/4 (c) 7/16 (d) 4/16

(5) In the absence of Partnership Agreement, Interest on drawings of a partner is charged @.............p.a.

(6) How does 'Nature of business' affect the value of goodwill of a firm?

(7) Give any two circumstances in which sacrificing ratio may be applied.

(8) *S*, *B* and *J* were partners in a firm. *T* was admitted as a partner in the partnership firm for $1/5^{th}$ share of profits. Calculate the sacrificing ratio of *S*, *B* and *J.*

(9) **Assertion (A):** A firm can have minimum 2 with a maximum of 50 partners.
Reason (R): The limit of 2 partners flows from the definition in the Partnership Act, 1932. Maximum limit of partners is also prescribed in the Partnership Act, 1932.
In the context of above two statements, which of the following is correct?

(a) **A** and **R** are correct but the **R** is not the correct explanation of **A**.
(b) Both **A** and **R** are correct and **R** is the correct explanation of **A**.
(c) Only **A** is correct, **R** is not correct.
(d) Both **A** and **R** are incorrect.

(10) At the time of admission of a new partner in the firm, the new partner compensates the old partners for their loss of share in the Super Profits of the frim for which he brings in an additional amount which is known as……………………….

(11) A and B were partners in a firm sharing profit or loss in the ratio of 3 : 5. With effect from 1st April, 2019, they agreed to share profits or losses equally. Due to change in profit sharing ratio, A's gain or sacrifice will be :

(A) Gain $\frac{3}{8}$

(B) Gain $\frac{1}{8}$

(C) Sacrifice $\frac{3}{8}$

(D) Sacrifice $\frac{1}{8}$

(12) A and B share profits and losses in the ratio of 3 : 2. With effect from 1st . January, 2019, they agreed to share profits equally. Sacrificing ratio and Gaining Ratio will be :

(A) Sacrifice by $A\ \frac{1}{10}$; Sacrifice by $B\ \frac{1}{10}$

(B) Gain by $A\ \frac{1}{10}$; Gain by $B\ \frac{1}{10}$

(C) Sacrifice by $A\ \frac{1}{10}$; Gain by $B\ \frac{1}{10}$

(D) Gain by $A\ \frac{1}{10}$; Sacrifice by $B\ \frac{1}{10}$

(13) Which of the following is NOT true in relation to goodwill?
(A) It is an intangible asset (B) It is fictitious asset
(C) It has a realisable value (D) None of the above

(14) Under the capitalisation method, the formula for calculating the goodwill is:
(A) Super profits multiplied by the rate of return (B) Average profits multiplied by the rate of return
(C) Super profits divided by the rate of return (D) Average profits divided by the rate of return

(15) X, Y and Z are partners in a firm sharing profits in the ratio 4 : 3 : 2. Their Balance Sheet as at 31-3-2019 showed a debit balance of Profit & Loss A/c ₹1,80,000. From 1-4-2019 they will share profits equally. In the necessary journal entry to give effect to the above arrangement when A Y and Z decided not to close the Profit & Loss Account:
(A) Dr. X by ₹20,000; Cr. Z by ₹20,000 (B) Cr. X by ₹20,000; Dr. Z by ₹20,000
(C) Dr. X by ₹40,000; Cr. Z by ₹40,000 (D) Cr. X by ₹40,000; Dr. Z by ₹40,000

(16) Which one of the following items cannot be recorded in the profit and loss appropriation account?
(A) Interest on capital (B) Interest on drawings (C) Rent paid to partners (D) Partner's salary

(17) On 1st January 2019, a partner advanced a loan of ₹1,00,000 to the firm. In the absence of agreement, interest on loan on 31st March 2019 will be :

(A) Nil (B) ₹1,500 (C) ₹3,000 (D) ₹6,000

(18) Is rent paid to a partner appropriation of profits?

(A) It is appropriation of profit (B) It is not appropriation of profit

(C) If partner's contribution as capital is maximum (D) If partner is a working partner.

(19) Net profit of a firm is ₹79,800. Manager is entitled to a commission of 5% of profits after charging his commission. Manager's Commission will be:

(A) ₹4,200 (B) ₹380 (C) ₹3,990 (D) ₹3,800

(20) Which accounts are opened when the capitals are fixed?

(A) Only Capital Accounts (B) Only Current Accounts

(C) Capital Accounts as well as Current Accounts(D) Either Capital Accounts or Current Accounts

(21) Kiya and Leela are partners sharing profits in the ratio of 3 : 2. Kiran was admitted as a new partner with 15th share in the profits and brought in ₹ 24,000 as her share of goodwill premium that was credited to the capital accounts of Kiya and Leela respectively with ₹ 18,000 and ₹ 6,000. Calculate the new profit-sharing ratio of Kiya, Leela and Kiran.

(22) Amit and Beena were partners in a firm sharing profits and losses in the ratio of 3 : 1 Chaman was admitted as a new partner for 25th share in the period. Chaman acquired 25th of his share from Amit. How much share did Chaman acquire from Beena?

(23) P, Q and R were partners in a firm sharing profits in the ratio of 3 : 2 : 1. They admitted S as a new partner for 18th share in the profits which he acquired 118th from P and 116th from Q. Calculate new profit sharing ratio of P, Q, R and S.

(24) State any one purpose for admitting a new partner in a firm.

(25) (i) Rajeev and Sanjeev are partners in a firm sharing profits in the ratio of 3 : 2 respectively. They admit Vijay as a new partner. Rajeev surrenders 14 of his share and Sanjeev 14 of his share in favour of Vijay. Calculate new profit sharing ratio of Rajeev, Sanjeev and Vijay.

(ii) Anita and Sunita are partners in a firm sharing profits in the ratio of 3 : 2 respectively. They admitted Vinita as a new partner for 14th share. The new profit sharing ratio between Anita and Sunita will be 2 : 1. Calculate their sacrificing ratio.

(26) Chhavi and Neha were partners in a firm sharing profits and losses equally. Chhavi withdrew a fixed amount at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. At the end of the year, interest on Chhavi's drawings amounted to ₹ 900. Pass necessary journal entry for charging interest on drawings.

(27) A business earned average profits of Rs. 1,00,000 during the last few years. The normal rate of return in similar type of business is 10%. The assets of the business were Rs. 10,00,000 and external liabilities was Rs. 1,80,000. Calculate the value of goodwill of the firm by super profit method, if the goodwill is valued at 2. 1/2 years' purchase of super profits.

(28) (a) Give the average period, in months, for charging interest on drawings of a fixed amount withdrawn at the end of each quarter.
(b) Dev withdrew ₹ 10,000 on 15th day of every month. Interest on drawings was to be charged @12% per annum. Calculate interest on Dev's drawings.
(c) In case the partners' capitals are fixed, in which account withdrawal of capital is recorded?

(29) A firm earned average profit of ₹ 3,00,000 during the last few years. The normal rate of return of the industry is 15%. The assets of the business were ₹ 17,00,000 and its liabilities were ₹ 2,00,000. Calculate the goodwill of the firm by capitalization of average profit.

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

2019-20	:	₹ 20,000 (including an abnormal gain of ₹ 5,000)
2020-21	:	₹ 40,000 (after charging an abnormal loss of ₹ 10,000)
2021-22	:	₹ 40,000

Calculate the amount of goodwill.

(31) *A*, *B* and *C* were partners sharing profits in the ratio of 5:4:3. They decided to change their profit-sharing ratio to 2:2:1 w.e.f. 1st April, 2021. On that date, there was a balance of ₹ 3,00,000 in General Reserve and a debit balance of ₹ 4,80,000 in the Profit & Loss Account.
Pass necessary Journal Entries for the above on account of change in profit-sharing ratio.

(32) Puneet and Deepak were in partnership sharing profits and losses in the ratio of 2 :1. They admitted Manya as a new partner. Manya brought Rs. 1,00,000 as her share of goodwill premium, which was entirely credited to Puneet's capital account. On the date of admission, goodwill of the firm was valued at Rs. 3,00,000. New profit-sharing ratio of Puneet, Deepak and Manya.

(33) X and Yare partners sharing profits in the ratio of 2:1. On 31st March, 2021, their Balance Sheet showed General Reserve of Rs.60,000. It was decided that in future they will share profits and losses in the ratio of 3:2.
Pass necessary Journal entry in each of the following alternative cases:
(i) If they do not want to show General Reserve in the new Balance Sheet.
(ii) If they want to show General Reserve in the new Balance Sheet.

(34) *B* and *S* are partners in a firm, sharing profits and losses in the ratio of 3:2. On 31st March, 2022. Their Balance Sheet was as under:

BALANCE SHEET OF *B* AND *S*

As at 31st March, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	13,800	Furniture	16,000
General Reserve	23,400	Land and Building	56,000
Investment Fluctuation Fund	20,000	Investment	30,000
B's Capital	50,000	Trade Receivables	18,500
S's Capital	40,000	Cash in Hand	26,700
	1,47,200		**1,47,200**

The partners have decided to change their profit-sharing ratio to 1:1 with immediate effect, For the purpose, they decided that:

(i) Investments to be valued at ₹ 20,000.

(ii) Goodwill of the firm be valued at ₹ 24,000.

(iii) General Reserve not to be distributed between the partners.

You are required to pass necessary Journal Entries in the books of the firm. Show workings.

(35)

15. Ram, Shyam and Hari were in partnership sharing profits in the ratio of 3 : 2 : 1. The Balance Sheet as at 31.3.2013 was as follows :

BALANCE SHEET
as at 31.3.2013

Liabilities		**(Rs)**	**Assets**	**(Rs)**
Bills Payable		20,000	Cash	40,000
Creditors		20,000	Bills Receivable	5,000
General Reserve		30,000	Debtors	15,000
Capitals			Stock	50,000
Ram	50,000		Furniture	20,000
Shyam	30,000		Machinery	30,000
Hari	25,000	1,05,000	Goodwill	15,000
		1,75,000		1,75,000

On 1.4.2013 partners decided to share profits equally. For this purpose it was further agreed that.

1. Goodwill of the firm should be valued at Rs 30,000.
2. Furniture and Machinery is to be revalued at Rs 25,000 and Rs 35,000 respectively.
3. Value of Stock is to be reduced by Rs 4,000.

You are required to give necessary journal entries to give effect to the above arrangement and prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the firm after reconstitution.

(36) Solution/Revision of Worksheet.
(37) Project Work.