

Note :

- 1) Q. 1 & Q. 2 are compulsory
- 2) Figures to the right indicate full marks.

Q. 1 Following is the Balance sheet of A, B & C who shared profits & losses equally :-

Balance sheet as on 31st March 2008

Capital accounts		Building		45,000
A	50,000	Plant & Machinery	30,000	
B	20,000	Debtors	40,000	
C	26,000	- R D D	5000	35,000
Creditors	50,000	Investments	10,000	
Bills Payable	25,000	Stock	40,000	
Outstanding expenses	25,000	Bills Receivable	10,000	
Loan from A	4,000	Bank Balance	30,000	
	2,00,000			2,00,000

The firm was dissolved & assets realised as under :

Date	Asset	Realisation expenses	Amount Realised
2-4-08	Building & Plant	Rs. 500	Rs. 67,000
10-4-08	Stock & Debtors	Rs. 1000	Rs. 68,000
18-4-08	Investment	-	Rs. 9,000
30-4-08	Bills Receivable	-	Rs. 10,000

Prepare statement of piecemeal distribution by excess capital method

Q. 2 A) State whether the following statements are TRUE or FALSE :-

(5)

- 1) Goodwill is on intangible asset.
- 2) Appreciation in value of asset is debited to profit & loss revaluation account.
- 3) Gain ratio is same as Benefit ratio
- 4) Retiring partner get share in reserves.
- 5) Partner's loan are repaid after partners capitals.

B) Give journal entries for the following. (5)

- 1) Goodwill raised in the books at the time of admission of new partner.
- 2) Realisation expenses paid on dissolution of firm.
- 3) In case of Retirement, asset of the firm is appreciated.
- 4) New partner brings cash for capital.
- 5) deficiency of insolvent partner shared by solvent partners.

C) Calculate adjusted capitals from the following. (3)

Capitals A - 30,000

B - 50,000

C - 60,000

Reserve Rs. 60,000

Profit & loss debit balance - Rs. 30,000

Profit & loss ratio by A, B & C is 3:2:1

d) Give order of payment of liabilities in piecemeal distribution. (2)

Q. 3 The Balance sheet of 'Charlies angels' was as follows :- (15)

Liabilities		Assets	
Creditors	20,000	Cash	20,000
Bills Payable	5,000	Debtors	16,000
Bank overdraft	5,500	Stock	10,000
Capitals		Plant & machinery	15,000
Mery	30,000	Furniture	6,500
Suzy	10,000	Land & Building	7,000
General Reserve	4,000		
	74,500		74,500

Emi is taken as a partner on following terms :-

- 1) Mery & Suzy were sharing profits & losses in 3:1. Emi will get 1/5 share in future profits, for which she will pay 10,000 as capital & 5,000 as goodwill.
- 2) Furniture to be depreciated by 20% & stock be appreciated by 5%.
- 3) Plant & machinery be appreciated by 20%.

- 4) Capitals are to be adjusted in new ratio, adjusting the difference in cash. Show necessary accounts & balance sheet.

OR

Q. 3 Following is the Balance sheet of A, B & C as on 31 Dec. 2008. (15)

Liabilities		Assets	
Capitals A	17,000	Goodwill	15,000
B	13,000	Other fixed assets	14,000
C	1000	Stock	7000
Reserves	6000	Debtors	13,000
A's loan	10,000	Cash at bank	5000
Creditors	7000		
	54,000		54,000

A, B, & C share P & L equally. On dissolution of the firm assets realised as under

1. Goodwill - NIL ;
2. Other Fixed Assets - 20,000;
3. Stock - 8,000
4. Expenses on realisation Rs. 1700
5. Retrenchment compensation Rs. 1500 Paid to workers. show Realisation a/c, capital a/c, Bank a/c & partners loan a/c.

Q. 4 A) Andy, Anu & Atul were partners sharing profits & losses in 6:1:1 Their balance sheet on 31st Dec. 08 was as follows. (10)

Liabilities		Assets	
Creditors	15,000	Plant	30,000
Reserves	8,000	Debtors	25,000
Capitals Andy	30,000	Stock	20,000
Anu	25,000	Bank Balance	25,000
Atul	22,000		
	1,00,000		1,00,000

Atul died on 30th Sept 09 & Partnership Deed Provided that.

- 1) The deceased partner be given his share in profits to date of his death based on the profits of previous year.
- 2) His share of goodwill is 18750
- 3) Plant to be revalued at 35000
- 4) Drawing of Atul amounted Rs. 9000
- 5) Interest on capital @ 10% to be allowed.

Give accounting for above & prepare Atul's capital account showing amount to be paid to his legal heir.

B) Show statement of excess capital from the following. (5)

Capitals	A	35000
	B	5000
	C	21000

Reserves Rs. 15000

Misc. expenditure Rs. 5000

Profit sharing ratio 2:2:1

OR

Q. 4 Ali & Haider are partners sharing profits & losses 2:3 Their that Balance on 31st Dec. 08 is given below. Prepare Trading & P/L a/c and B/S as on that date. (15)

Purchase	98,000	Capitecls - Ali	30,000
Patent Rights	4000	Haider	40,000
Building	1,08,000	Provident Fund	7,000
Opening stock	15,000	Creditors	47,000
Printing expenset	1,750	Bank loan	10,000
Debtors	35,000	Sales	1,58,000
Wages & Salaries	11,000	RDD	250
Audit fees	4,700	Returns	3,500
10% Investments	10,000		
Cash	3,500		
Providend Fund			
Contribution	800		
Camriage inward	1,300		
other expenses	2,700		
	2,95,750		2,95,750

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- 1) On 31st Dec. the closing stock was valued at cost Rs. 18,000 while its market value was Rs. 15,000.
- 2) Depreciate building 5%.
- 3) Interest on Capital is to be provided at 5%.
- 4) Salaries to Ali & Hai der were outstanding for the amount of Rs. 1000 per Month for each partner.
- 5) Ali had withdrawn goods worth Rs. 2000 for personal use.



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