ST. XAVIER'S SENIOR SECONDARY SCHOOL, DELHI – 110 054

Std. 12 Time : 3 hrs.

15-9-2014 Half Yearly Examination in **ACCOUNTANCY (Set - I)** M. Marks : 80

General Instructions:-

1) Neatness is must.
2) Show your working wherever necessary.

Q. No. 01 to 08	1 Mark each
Q. No. 09 to 12	3 Marks each
Q. No. 13 to 17	4 Marks each
Q. No. 18 to 21	6 Marks each
Q. No. 22 to 23	8 Marks each

1. State any two occasions on which a firm can be reconstituted.

2. What can be the maximum number of partners in the banking business?

3. What is meant by purchased goodwill?

4. Which of the following is not an essential feature of partnership firm?
   a) Engagement in business b) Relationship of principal and agent
   c) Registration d) Sharing of profits

5. Name the account which is maintained in the books when the retired partner keeps money in the firm as additional finance.

6. If the partners capital are fixed, where will you record the Interest on capital?

7. Give one point of difference between sacrificing ratio & gaining ratio.

8. Is it correct to say that a sleeping partner is liable for the acts of other partner?

9. Give three points of difference between Realisation Account & Revaluation Account.

10. Priya withdrew Rs. 2,500/- at the end of each month. The partnership deed provides for charging the interest on drawings @ 12% per annum. Calculate interest on Priya's drawings for the year ending 31st December, 2013.

11. Give the meaning of goodwill. Explain any two factors affecting goodwill of the firm.

12. X, Y & Z are partners sharing profits & losses in the ratio of 16:12:7 with a minimum profit of Rs. 10,000/- for Z. The profits for the year ended March, 31st of 2014 amounted to Rs. 39,500/-. Pass necessary Journal Entries.

13. X, Y & Z are partners dealing in manufacturing paper bags. They share profits and losses in the ratio of 5: 3: 2. They admitted S for 2/10th share. 'S' is a single parent (Mother) of a girl child. On the admission of 'S' Z declared that he does not want to change his profit share and wants to retain his original share.
    a) Find out the new profit sharing ratio of X, Y, Z and S.
    b) Identify any two values in the above situation.

14. A and B are partners in a firm sharing profits in the ratio of 3:2. On March 31, 2003, their Balance Sheet showed a general reserve of Rs. 54,000/-. On that date they decided to admit C as a new partner. The new profit sharing ratio between A, B and C will be 4:3:2. Record necessary entry in the books of the firm under the following circumstances.
    i) When they want to transfer general reserve in their capital accounts.
    ii) When they don't want to transfer general reserve in their capital accounts and prefer to record on adjustment entry for same.

15. What journal entries would you pass for the following transactions on the dissolution of firm?
    a) Rs. 40,000/- bills payables settled for Rs. 38,000/-.
    b) Partner P's loan paid of Rs. 25,000/-.
    c) Realisation expenses Rs. 11,000/- were paid by the firm.
    d) An unrecorded asset of Rs. 15,000/- is taken over by the partner R for Rs. 12,000/-.

16. R, S and T are partners sharing profits in the ratio of 3:2:1 From 1st January 2014, they decided to share profits in the ratio of 1:3:2. It was calculated that R's sacrifice, S's gain and T's gain would be 2/6, 1/6 and 1/6 respectively. Partnership deed provides that the event of any change in the profit sharing ratio, goodwill should be valued at four years purchase of the average of 4 years profits. The profits/losses of preceeding 4 years were as follows:

2010 (profit)	Rs. 3,20,000/-
2011 (profit)	Rs. 3,60,000/-
2012 (loss)	Rs. 1,20,000/-
2013 (profit)	Rs. 1,00,000/-

Pass the necessary journal entry and show your workings.

17. Nawab & Raja were partners in a firm sharing profit in the ratio of 7:3. Their fixed capitals were Nawab Rs. 9,00,000/- and Raja Rs. 4,00,000/-. The partnership deed provided for the following but the profit for the year was distributed without providing for
    i) Interest on Capital @ 9% p.a.
    ii) Nawab's salary Rs. 50,000/- per year And Raja's salary Rs. 3000/- per month.
    iii) The Profit for the year ended Rs. 2,78,000/-.
    Pass adjusting entry.

18. Paridhi, Ekta and Ayushi are partners in a firm. Their profit sharing ratio is 5:3:2. However, Ayushi is guaranteed a minimum amount of Rs. 20,000 as share of profit every year. Any deficiency arising on that account shall be met by Ekta. The profits for two years ending 31st March. 2013 and 2014 are Rs. 80,000/- and Rs. 1,20,000/- respectively. Prepare Profit and Loss Appropriation Account for two years.

19. a) A and B are partners in a business. Their capitals at the end of the year were Rs. 96,000/- and Rs. 72,000/- respectively. During the year ended 31st December, 2013, A's drawings were Rs. 16,000/- and Rs. 24,000/- respectively. Profits (before charging interest on capital) during the year were Rs. 64,000/-. Calculate interest on capital @ 5% for the year ended 31st December, 2013.
    b) Assuming the capitals were fixed in (a), calculate interest on capital @ 5%.

20. Ram, Mohan and Sohan were partners sharing profit and losses in the ratio of 5:3:2. On 31st March, 2013, their Balance Sheet was as under:

Liabilities		(Rs.)	Assets	(Rs.)
Capital A/c's:			Leasehold	1,25,000
Ram	1,50,000		Patents	30,000
Mohan	1,25,000		Machinery	1,50,000
Sohan	75,000	3,50,000	Stock	1,90,000
Workmen's Compensation Reserve		30,000	Cash at Bank	40,000
Creditors		1,55,00		
		5,35,000		5,35,000

Sohan died on 1st August, 2013. It was agreed that:
    i) Goodwill of the firm to be valued at Rs. 1,75,000/-.
    ii) Machinery be valued at Rs. 1,40,000/-; Patents at Rs. 40,000/-; Leasehold at Rs. 1,50,000/- on this date.
    iii) For the purpose of calculating Sohan's share in the profits of 2013-2014, the profits should be taken to have accrued on the same scale as in 2012-13, which were Rs. 75,000/-.
    Prepare Sohan's Capital Account and Revaluation Account.

21. X & Y are partners sharing profits and losses in the ratio of 3:2. They admit Z as a new partner who gets 1/5th share. Calculate the new profit sharing ratio in each of the following:
    i) If Z acquires his share from X & Y in their profit sharing ratio.
    ii) If he acquires 3/20th from X and 1/20th from Y.
    iii) If he acquires his share entirely from X.

22. Nitin, Neeraj and Nishant are partners in a business, sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as at 31st December, 2013 was a follows:

Balance Sheet of Nitin, Neeraj & Nishant
As at 31-12-2013

Liabilities		(Rs.)	Assets	(Rs.)
Sundry Creditors		3,200	Cash at Bank	2,000
General Reserve		12,000	Cash in Hand	1,200
Capital A/c's:			Sundry Debtors	18,000
Nitin	20,000		Machinery	12,000
Neeraj	20,000		Stock in Hand	14,000
Nishant	20,000	60,000	Land & Building	28,000
		75,200		75,200

Nishant retires from business on 1st January, 2014. It was agreed that the amount due to him will be treated as loan. It was agreed to adjust the value of assets as follows:

a) Depreciate stock by 5% and machinery by 10%.
b) Goodwill of the firm is valued at Rs. 30,000/-.
c) Provide a reserve of 5% on sundry debtors for doubtful debts.
d) Land and building to be revalued at Rs. 30,200/-.
e) Nitin and Neeraj will continue to carry on the business and will share equally in future.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet.

(OR)

Amit and Sumit were partners in a firm with capitals of Rs. 2,40,000/- and Rs. 3,20,000/- respectively. On 1st April, 2014, they admitted Nitin as a partner for 1/4th Share in profit on his payment of Rs. 4,00,000/- as his capital and Rs. 1,80,000/- for his 1/4th share of goodwill.

On that date, the creditors were Rs. 1,20,000/- and bank overdraft was Rs. 30,000/-. Their assets were as follows :

Cash	Rs. 50,000/-
Stock	Rs. 20,000/-
Debtors	Rs. 80,000/-
Plant and Machinery	Rs. 1,60,000/-
Land and Buildings	Rs. 4,00,000/-

It was agreed that stock should be depreciated by Rs. 4,000/- and Plant and Machinery by 20%. Rs. 10,000/- should be written off as bad debts and land and buildings should be appreciated by 25%.

Prepare Revaluation Account and Balance Sheet of the new firm.

23. Kapil and Aditya were sharing profits in the ratio of 3:1. On 31-03-2013, their Balance Sheet was as follows:

Balance Sheet of Kapil and Aditya
as at 31-12-2013

Liabilities		(Rs.)	Assets	(Rs.)
Capital A/c's:			Land and Building	70,000
Kapil	20,000		Machinery	60,000
Aditya	80,000	2,00,000	Debtors	80,000
Creditors		70,000	Bank	60,000
		2,70,000		2,70,000

The firm was dissolved on 01-04-2013 and the Assets and Liabilities were settled as follows:

a) Creditors of Rs. 50,000 took over Land and Building in full settlement of their claim.
b) Remaining creditors were paid in cash.
c) Machinery was sold at a depreciation of 30%.
d) Debtors were collected at a cost of Rs. 500/-.
e) Expenses of realizsation were Rs. 1,700/-.

Pass necessary journal entries for dissolution of the firm.

(OR)

A, B and C are partners sharing profits in the ratio of 2:2:1. Their balance sheet as at 31st December, 2013 was as follows :

Balance Sheet
as at 31st December, 2013

Liabilities		(Rs.)	Assets		(Rs.)
Sundry Creditors		3,00,000	Cash at Bank		3,00,000
Capital A/c's:			Sundry Debtors	1,95,000	
A	7,50,000		Less: Provision for		
B	3,00,000		Doubtful Debts	45,000	1,50,000
C	1,50,000	12,00,000	Stock		3,00,000
			Fixed Assets		7,50,000
		15,00,000			15,00,000

They close the business and the following amount are realized:

Stock	Rs. 3,39,000/-
Fixed Assets	Rs. 6,75,000/-
Debtors	Rs. 1,35,000/-

Creditors were paid Rs. 2,85,000/- in full settlement of their claim. Expenses of dissolution were Rs. 9,000/-. Show all closing accounts.

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