

OOEN STUDENT FOUNDATION

Date : 18-02-2024

STD 12 Commerce Elements of Account

Total Marks : 50

Time : 1 hour 30 Minute

Practice Sheet Day 1 (Part 1 - Ch.1)

Section A

* **Choose The Right Answer From The Given Options.** **[10]**

1. Where would you show share of loss of a partner? In which account and on which side?
(A) Capital A/c, Cr. side (B) Capital A/c, Dr. side (C) Current A/c, Cr. side (D) Current A/c, Dr. side
2. In the fluctuating capital account method, when partner brought additional capital, it will be credited to account.
(A) Cash A/c (B) Capital A/c (C) Current A/c (D) Bank A/c
3. How many methods are there to keep capital accounts in a partnership firm?
(A) One (B) Two (C) Three (D) Four
4. For the partner of a partnership concern, his liability is.....
(A) Unlimited (B) Limited (C) Limited to the capital (D) None of the given
5. In which year Partnership Act is implied in India?
(A) 1932 (B) 1947 (C) 1956 (D) 1965
6. Debit balance of profit and loss appropriation account means.....
(A) Gross profit (B) Gross loss (C) Divisible profit (D) Divisible loss
7. In the fixed capital account method, to which account, balance of drawing account is transferred at the end of the year?
(A) Capital A/c (B) Current A/c (C) Profit-loss A/c (D) Profit-loss Appropriation A/c
8. In the fixed capital account method, where would you give the effect of adjustment of fluctuation of capital?
(A) Fixed capital A/c (B) Profit and loss No (C) Current A/c (D) Profit and loss appropriation A/c
9. Generally, current account has balance.
(A) Debit (B) Debit or Credit (C) Credit (D) None of the given
10. When partner withdraws equal amount at the end of every month, for how many months interest on drawings be calculated?
(A) 66 (B) 72 (C) 12 (D) 78

Section B

* **Answer The Following Questions In One Sentence.** **[5]**

11. Why is it necessary to have written partnership deed?
12. How salary, bonus or commission be given to the active partner of business, if no provision is there for the same in the partnership deed?
13. In the fixed capital account method, permanent changes in the capital are to be recorded to which account?
14. In the fixed capital account method, to which account profit share of partner be credited?
15. Partners drawing account will be closed and transferred to which account at the end of the year?

Section C

*** Answer The Following Questions.**

[15]

16. Lata, Geeta and Pravina are partners of a partnership firm. After distribution of the profit of the year it was realized that charging of interest on partners drawing account respectively Rs. 2,700 Rs. 1,200 and Rs. 1,500 was missed out. Write an entry for the rectification of error.
17. The closing capital of Raghuvir is Rs. 80,000. In which Rs. 12,500 drawings of current year and profit of Rs. 17,800 are recorded. What will be the interest at 6% p.a. on the opening capital?
18. A, B and C are the partners sharing profit/loss in equal proportion. Their total capital is of Rs. 4,50,000. Their proportion of capital is 1 : 3 : 2. Firm pays interest on capital at 9% p.a. Partner C has received Rs. 73,500 including interest on capital. Determine the amount payable including interest on the capital of A and B?
19. Describe the accounting provisions of partnership Act 1932, in absence of a Partnership deed.
20. What is profit-loss appropriation account ? Which items are disclosed in it?

Section D

*** Answer The Following Questions With Necessary Calculations.**

[20]

21. Fluctuating capital accounts of partners
22. Prerna, Paras and Jaishri are the partners of a firm. On 1-4-2016 their capital was ₹ 1,50,000, ₹ 90,000 and ₹ 60,000 respectively. Their drawings were as follows : Prerna ₹ 15,000 on 1-7-2016 and Paras ₹ 24,000 on 30-10-2016 They distribute half profit in the capital proportion and remaining in the ratio of 2: 2: 1 . Jaishri has lent out loan of ₹ 30,000 on 1-10-2016 to the firm. As per partnership deed per annum 5 % interest on capital, per annum 12 % interest on drawings is to be calculated. Paras is to be paid annual salary of ₹ 18,000 for his active role in the firm. 10 % commission is to be given to Prerna from surplus of profit after providing for above mentioned provisions and after deduction of her such commission. For the year ending on 31-3-2017 profit of the firm before incorporation of the above mentioned adjustments but after charging interest on loan of Jaishri was ₹ 1,29,450 profit-loss to capital account, total capital of the firm would be

identical to the opening capital, which should be in the proportion of 2: 2: 1 . For this purpose required amount will be introduced by the partners and excess amount will be withdrawn by the partners. Prepare profit and loss appropriation account, partners' capital accounts for the year ending on 31-3-2017

23. Sheela, Surbhi and Seema are partners sharing profit-loss in the ratio of 5 : 7 : 9. Manager Sanket is entitled to receive 10% commission from profit after deduction of his such commission. Surbhi receives share in profit .7000. Determine the amount of commission of Sanket. Also determine amount of profit before the commission of manager.
24. Ram, Laxman and Sita are partners of a firm. On 1-4-2016 their capital was ₹ 40,000 , ₹ 30,000 and ₹ 80,000 respectively. At the end of the year after distribution of profit it was realised that charging of interest on capital at 12% is missed out. Write journal entry for rectification.
25. Saksham, Samarth and Shrey are partners of firm. Their capital on 1-4-2016 was .1, 00, 000, ₹ 60,000 and ₹ 40,000 respectively. As per partnership deed : (1) Provide interest on capital at 8% p.a. on capital of partners. (2) 10% p.a. interest is chargeable to drawings. (3) Monthly salary of ₹ 600 is payable to Samarth. (4) Partners would share half profit in equal proportion and remaining half profit they will share in their opening capital proportion.
- On 1-1-2017 Saksham and Shrey have withdrawn ₹ 5000 and ₹ 4000 respectively. Partners have unanimously decided to transfer 10% of divisible profit to general reserve. Before recording of above mentioned adjustments profit of the firm for the year ending on 31-3-2017 was ₹ 34,975 .
- From the above information prepare profit and loss appropriation account of the partnership firm for the year ending on 31-3-2017 and partners capital accounts.
