

OSF

Date : 07-03-2024

STD 12 Commerce Elements of Account Account Practice Sheet Day 14 (Part 1 - Ch.1 to 4)

Total Marks : 50

Section A

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

- By calculating interest on credit balance of capital, partner's capital.....
(A) Increases (B) Increase or decrease (C) Decrease (D) None of the given
- Credit balance of profit and loss appropriation account means
(A) Net profit (B) Net loss (C) Divisible profit (D) Divisible loss
- Where would you show interest on drawings in fluctuating capital account?
(A) On credit side of capital account (B) On debit side of capital account
(C) On credit side of current account (D) On debit side of current account
- In which year partnership act was implemented in India?
(A) 1923 (B) 1932 (C) 1947 (D) 1956
- Goodwill is a financial value of
(A) Investment (B) prestige of business enterprise
(C) fixed assets (D) competition
- At the time of reconstruction, partners gain means
(A) Old ratio of profit is less than new profit ratio (B) Old ratio of profit is more than new profit ratio (C) New ratio of profit is less than old profit ratio (D) New ratio of profit is equal to old ratio of profit
- Profit and loss adjustment account is also known as--
(A) Balance sheet (B) Partners capital account (C) Revolution account (D) Capital reserve account
- In the reconstruction of a partnership firm, gain ratio =
(A) New profit-loss share - Old profit-loss share
(B) Old profit-loss share - New profit-loss share
(C) New capital ratio - Old capital ratio
(D) Old capital ratio - New capital ratio
- Receivable income or prepared expense is shown on account at the time of revaluation of assets and liabilities.
(A) Credit side of revaluation (B) Debit side of revaluation (C) Debit side of partners' capital (D) Credit side of partners' capital
- While calculating partner's sacrifice, if answer comes to negative(-), then we can say that
(A) Partner's gain

(B) No gain, no loss for partner (C) Partner's sacrifice (D) None of the given

Section B

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

11. At what rate, interest on loan given by partner to the firm, be calculated, if no provision is there for the same in the partnership deed.
12. Where would you record closing balance of profit and loss appropriation account?
13. When fluctuating capital account method is adopted, where would you record permanent changes which takes place in the capital of partners?
14. Where will you disclose the following items given in a trial balance during the preparation of a final account of a partnership firm : Goods return credit
15. What is reconstruction of partnership?

Section C

*** Answer The Following Questions. [12]**

16. On the partnership firm of Sheela, Surbhai and Sanket is Rs. 1,35,000. They have share profit in the ratio 2:1:3 instead of 3:2:3. What accounting treatment is to be given to the capital account to rectify the 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. Raju, Hasu and Sanju are the partners of a partnership firm. Their profit-loss sharing ratio is 5 : 4 : 3. All the partners have decided to change their profit-loss sharing ratio to 2 : 2 : 1. From this information find out the gain ratio.
19. Sagar, Sarita and Palak are the partners in a firm sharing profits and losses in the ratio of 3:3:2. All partners have decided to change their profit and loss ratio to 1:1:1. Calculate gain and sacrifice by the partners.

Section D

*** Answer The Following Questions With Necessary Calculations. [12]**

20. X and Y are partners of a partnership firm. They have not prepared partnership deed. There is difference of opinion between the partners. Please give legal advice to the partners.
 - (1) X demands 6 % p.a. interest on drawings of partners.
 - (2) Y is an active partner of the firm. He claims for remuneration and commission.
 - (3) X demands interest on capital of partners.
 - (4) X has lent loan of ₹ 20,000\$ to the firm. He demands interest on loan.
 - (5) Firm has lent loan of ₹ 25,000\$ to Y. X demands to charge interest on the loan.

(6)X demands to share profit between the partners in the proportion of capital.

21. Milin, Hemant and Rasik have distributed profit of the firm of .1, 89, 000 in equal proportion, instead of distributing it in 1 : 2 : 4 proportion. To rectify this mistake what treatment will be given to the capital account ?
22. Explain the weighted average method for the valuation of goodwill.

Section F

*** Answer The Following Essay Type Questions.**

[11]

23. From the Trial Balance and adjustments of partnership firm of Salim and Shabana, prepare final accounts of partnership firm.

Trial Balance of Partnership Firm of Salim and Shabana as on 31-3-2017		
Particulars	Debit balance (Rs.)	Credit balance (Rs.)
Capital Account: Salim		1,60,000
Shabana		1,20,000
Current Account: Salim	10,000	
Shabana		40,000
Stock of goods (31-3-17)	54,600	
Cash balance	560	
Current account with bank.	14,000	
Fixed deposit of SBI	80,000	
Debtors- creditors	36,800	24,000
Salary	37,000	
Land-building	1,20,000	
Plant-machinery	40,000	
Furniture	10,000	
Insurance premium	2,000	
Leasehold machinery (from 1-4-16 for 5 years)	60,000	
Stationery and printing	1,200	
Bad debts- bad debts reserve	400	2,000
Advertisement expense	1,200	
Travelling expense	800	
Trading A/c		61,800
Loan of Shabana (from 1-10-16)		60,000
Discount reserve		760
	<u>4,68,560</u>	<u>4,68,560</u>

Adjustments :

1. Salim withdrew goods of Rs. 4,000 for personal use. It is not recorded in the books.
2. Goods of Rs. 8,000 purchased at the end of the accounting year, which is not recorded.
3. Prepaid insurance is Rs.400.
4. From debtors Rs. 800 is not recoverable. Provide 5% bad debts reserve on debtors.

5. Discount reserve on debtors is not required.

6. Provide depreciation on plant-machinery at 20% and on furniture at 5%.
