

# OSF

Date : 07-03-2024

STD 12 Commerce Elements of Account

Total Marks : 50

## 12th Account Practice Sheet Day 15 (Part 1 - Ch.1 to 4)

### Section A

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

1. For the partner of a partnership concern, his liability is .....  
(A) Unlimited (B) Limited  
(C) Limited to the capital (D) None of the given
2. Under which method, the interest on capital keeps on changing during the year due to the changes in the capital?  
(A) Fluctuating capital account method (B) Fixed capital account method  
(C) Current accounts method (D) None of the above
3. In the fixed capital account method, to which account, interest on capital be recorded?  
(A) Capital A/c (B) Current A/c (C) Drawings A/c (D) Trading A/c
4. When partner withdraws equal amount in the beginning of every month, for how many months interest on drawings be calculated?  
(A) 66 (B) 12 (C) 72 (D) 78
5. Goods returned debit means .....  
(A) purchase (B) purchase return (C) sales (D) sales return
6. 'Goodwill' is which type of asset?  
(A) Tangible asset (B) Intangible asset (C) Current asset (D) Fictitious asset
7. Who shared accumulated profit-loss or Reserve fund?  
(A) Continuing/old partners (B) Employees (C) Partners including new partners (D) None of the above
8. While calculating partner's gain or benefit, if answer comes to negative(-), then can say that  
(A) Partner's sacrifices (B) No gain, no loss for partner (C) Partner's gain (D) None of the given
9. Where are the effects given when the value of assets increase at the time of the reconstruction of a partnership firm?  
(A) Addition in assets value and the revaluation account will be credited.  
(B) Addition in assets value and the revaluation account will be debited.  
(C) Subtract from assets value and the revaluation account will be credited.  
(D) Subtract from assets value and the revaluation account will be debited.
10. Where is the worker profit sharing fund shown in balance sheet at the time of the reconstruction of a partnership firm?

- (A) Credit side of revaluation account
- (B) Capital-Liabilities side of balance sheet after reconstruction
- (C) Credit side of partners' capital accounts
- (D) Debit side of partners' capital accounts

**Section B**

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

11. Farmers drawing account will be closed and transferred to which account at the end of the year?
12. Why profit and loss appropriation account is prepared?
13. What is revaluation account?
14. What is revaluation of assets and liabilities?
15. After revaluation is it necessary to prepare partners capital accounts?

**Section C**

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

16. What is profit-loss appropriation account ? Which items are disclosed in it?
17. Where will you disclose the effects of the following adjustments during the preparation of final accounts of a partnership firm : Interest on debit balance of Partners' current account
18. Write adjustment entries for the following adjustments :  
One partner has withdrawn goods of ₹ 5000 for personal use, this transaction is not recorded.
19. Bhavna, Bharat and Bhumesh are the partners in a partnership firm sharing profit and loss in the ratio of 2:1:1. The following is their balance sheet as on 31-3-2017.

**Balance Sheet as on 31-3-2017**

Liabilities	Amt. (₹)	Assets	Amt. (₹)
<b>Capital account :</b>		Land	5,00,000
Bhavna	6,00,000	Building	8,00,000
Bharat	6,00,000	Machinery	4,00,000
Bhumesh	5,40,000	Furniture	50,000
Creditors	2,00,000	Investment	50,000
Bills payable	60,000	Debtors	1,00,000
		Bills receivable	30,000
		Cash balance	20,000
		Bank balance	50,000
	<b>20,00,000</b>		<b>20,00,000</b>

Partners have decided to revalue the assets and liabilities on the date of the above balance-sheet.

(1) The value of land is ₹ 7,00,000.(2) The value of building is increased by 1,00,000.(3) The market-value of machine is 2,50,000 which is to be recorded in the books.(4) Provision for doubtful debts at 20% on debtors.(5) Creditors amounting to 10,000, are not required to be paid.(6) Income receivable amounted to 5000 and cutstanding expenses amounted to 3000 which are to be recorded.From the above information, write journal-entry in the books of partnership firm for revaluation and prepare revaluation A/c.

#### Section D

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

20. Fluctuating capital accounts of partners
21. Current accounts of partners
22. The closing capital of a partner Girish is .96, 000 after giving effect of drawings of .6000 and divisible profit of .9000. Calculate 8% p.a. interest on capital.

#### Section F

**\* Answer The Following Essay Type Questions. [11]**

23. Sant and Mahant are partners of a firm sharing profit and loss in the proportion of 3: 2. From the trial balance of 31-3-2017 and adjustments prepare final accounts of the partnership firm.

**Trial Balance of Partnership Firm of Sant and Mahant as on 31-3-17**

<b>Debit Balances</b>	<b>Amt. (₹)</b>	<b>Credit Balances</b>	<b>Amt. (₹)</b>
<b>Drawings :</b>		<b>Capital accounts :</b>	
Sant	7000	Sant	80,000
Mahant	3000	Mahant	40,000
Plant and Machines	33,300	Creditors	48,000
Addition in plant and machines (from 1-7-2016)	24,000	Sale of plants and machines (on 1-4-16, book value ₹ 6900)	4800
Furniture-fittings	2560	Sales	2,68,000
Debtors	64,940	5 % loan from Gyani (from 1-10-16)	10,000
Advertisement expense	13,248	Commission	800
Cash-bank balance	8496		
Purchases	1,81,168		
Productive wages	45,272		
Electricity expense (Factory)	4296		
Rent-taxes (Office)	872		
Rent-taxes (Factory)	9384		
Technical expense	400		
Opening stock	33,696		
Factory expense	1780		
Office salary	8780		
Discount allowed	4800		
Carriage inward	1700		
Bad debts	836		
Office expenses	2072		
	<b>4,51,600</b>		<b>4,51,600</b>

**Adjustments:**

- (1) There was stock of 85,500.
- (2) Provide 15 % depreciation on plant and machines and 75 % on furniture and fittings
- (3) Provide bad debts reserve of 2000 on debtors
- (4) 6% interest is payable on capital of partners
- (5) Outstanding expenses: Productive wages 784, advertisement expense 312, office salary 400, technical expense 320.

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