

# OPEN STUDENT FOUNDATION

Date : 24-02-2024

STD 12 Commerce Elements of Account  
12th Account Practice Sheet Day 7 (Part 1 - Ch.7)

Total Marks : 30

## Section A

\* **Choose The Right Answer From The Given Options.** [4]

- At the time of dissolution, unrecorded outstanding salary of Rs. 10,000 is being paid, where will it be credited?  
(A) Realisation A/c      (B) Partners' Capital      (C) Salary A/c      (D) Cash A/c  
A/c
- It was decided to pay Rs. 1,200 to Mr. Modi for dissolution expense, but actual dissolution expense was Rs. 800. What amount will be written on the Dr. side of Realisation A/c?  
(A) Rs. 1,200      (B) Rs. 800      (C) Rs. 400      (D) Rs. 2,000
- At the time dissolution balance of which account is not transferred to Realisation Account?  
(A) Debtors No      (B) Bad debts Reserve      (C) Investment A/c      (D) Cash/Bank A/c  
A/c
- At the time of dissolution Rs. 4,000 received from debtor Virag firm the bad debts of Rs. 6,000 which was earlier written off. To which account this amount is credited?  
(A) Virag A/c      (B) Bad debts Return      (C) Realisation A/c      (D) Cash/Bank NC  
No

## Section B

\* **Answer The Following Questions In One Sentence.** [4]

- Name the two methods for the dissolution of a partnership firm.
- On which side of the realisation A/c, the amount of joint life insurance policy and the surrender value of the policy is written?
- At the time of dissolution to which account depreciation fund shown in the balance sheet is transferred?
- Which balance is shown by cash account after completion of accounts of dissolution?

## Section C

\* **Answer The Following Questions.** [6]

- Jhanavi, Yesha and Jvallit are partners sharing profit-loss in the proportion of 5:3:2. The firm was dissolved on 31-3-2016. On that firm has follows status:

**Balance Sheet**

Liabilities	Amt. (₹)	Assets	Amt. (₹)
<b>Capital :</b>		Sundry assets	1,48,000
Jhanavi	50,000	Cash balance	2000
Yesha	30,000		
Jvallit	20,000		
Sundry liabilities	50,000		
	<b>1,50,000</b>		<b>1,50,000</b>

(1) 1,58,000 realised from sundry assets.

(2) Liability is paid at 10 % discount.

(3) The firm has paid government taxes of last two years of 3000. This was not recorded in the books.

(4) Dissolution expense incurred 2000.

Prepare realisation account under second method

10. Give accounting treatments for goodwill of different circumstances when firm goes for dissolution.

**Section D**

\* **Answer The Following Questions With Necessary Calculations. [8]**

11. Explain in brief, legal provisions of accounting settlement for partnership firm dissolution.
12. Explain methods of dissolution without the interference of court.

**Section E**

\* **Answer The Following Questions In Detail. [8]**

13. Naresh and Shaivil are partners sharing profit-loss in the proportion of 2 : 3. On 30-9-2016. They have decided to dissolve the firm. On this date their capital was ₹ 6,00,000 and ₹ 4,00,000 respectively. Total liabilities of the firm are ₹ 6,00,000. The balance of accumulated debit balance of profit and loss account is ₹ 1,00,000 and cash balance is ₹ 1,00,000, 50% are realised from assets of firm. Dissolution expense is ₹ 1,00,000. Prepare necessary accounts to close books of the firm.

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