Q. 1 Ram and Krishna are partners sharing profits equally from the following Trial Balance, prepare Trading and Profit and Loss A/c for the year ended 31st Dec, 2011 & the Balance Sheet as at that date after making the adjustment given below : [15]

Particulars	Dr. Rs.	Particulars	Cr. Rs.
Stock (1-1-2011)	54,000	Ram's Capital	2,00,000
Purchases	1,38,000	Krishna's Capital	2,00,000
Land & Building	1,74,000	Creditors	15,000
Goodwill	40,000	Provision for Doubtful Debts	3,000
Deposits	2,000	Sales	1,68,000
Plant & Machinery	35,000		
Wages	20,000		
Carriage Inward	1,200		
General Expenses	8,000		
Rent & Taxes	4,000		
Motor Car	6,000		
Bank Current A/c	1,590		
Debtors	39,600		
Printing & Stationery	4,000		
Carriage Outward	2,800		
Salaries	6,200		
Bank Charges	210		
Bad debts written off	4,200		
Ram's Drawing	20,000		
Krishna's Drawing	25,200		
	5,86,000		5,86,000

Adjustments :

1) No interest is to be allowed on Partner's Capital and no interest is to be charged on drawing.
2) Closing Stock was Rs. 92,000.
3) Rent and Taxes prepaid were Rs. 1,600
4) It is discovered that credit sales effected on 21-12-2011 to the value of Rs. 400 have not been entered in the books.
5) Stock worth Rs. 6,000 uninsured has been destroyed by fire.
6) Depreciate Plant and Machinery at 10% p.a. and Motor Car at 20% p.a. and Provision for Bad Debts to be increased by Rs. 4,000.
7) Plant and Machinery worth Rs. 2,000 purchased on 31st December 2011 has been inadvertently included in purchases.
8) The Motor Car was sold on 30-06-2011 for Rs. 4,000. the amount being wrongly included in the sales.
9) Wages include a sum of Rs. 1,000 spent at the time of installation of a new machinery valued at Rs. 8,000 on 30-06-2011

OR

Bharat and Laxman are Partners. Their Trial Balance as on 31-12-2010 was as under :

Debit	Rs.	Credit	Rs.
Stock	30,000	Bharat's Capital	45,000
Wages	32,500	Laxman's Capital	45,000
Carriage Inward	12,500	Creditors	26,000
Purchases	1,49,000	Sales	3,40,000
Building	37,000	Discount	5,000
Machinery	20,000	R.D.D.	1,500
Furniture	10,000		
Salaries	20,000		
Debtors	42,000		
Cash Balance	24,650		
Bank Balance	47,500		

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Rent & Taxes	10,500		
General Expenses	15,000		
Commission	2,850		
Repairs	9,000		
	4,62,500		4,62,500

Additonal Information :

1) Closing Stock was Rs. 25,000.
2) Goods costing Rs. 1,250 have been stolen but no entry was passed in the books for the same.
3) Laxman has taken goods worth Rs. 2,500 for his personal use for which no entry was made in the books.
4) Wages outstanding were Rs. 3,000.
5) Machinery is to be depreciated @10% p.a.
6) Taxes paid in advance Rs. 1,000.
7) Depreciation was to be provided at 5%p.a. on Building and 15%p.a. on furniture.
8) Write off Rs. 1,000 as Bad Debts and provision for doubtful debts is to be increased to Rs. 2,500.

Prepare a Trading and Profit and Loss Account for the year ended 31st December, 2010 and Balance Sheet as on that date.

Q.2. **Priya and Riya were partners and shared the profits in the ratio of 3 : 2. On 31st December, 2010, their Balance Sheet was as follows :** [15]

Liabilities	Rs.	Assets		Rs.
Capial Accounts		Building		44,000
Priya	72,000	Bank		500
Riya	48,000	Stock		17,000
Sundry Creditors	30,000	Investment		24,000
Reserve Fund	10,000	Sundry Debtors	45,000	
		Less : RDD	500	44,500
		Plant		30,000
	1,60,000			1,60,000

On 1st Jan. 2011, Ms. Siya was admitted to Partnership on the following term:

1) She should bring Rs. 37,300 as her Capital for her 1/5 share.
2) Before admitting Siya, RDD was to be raised upto Rs. 1,000 only.
3) Appreciate Building by 5%.
4) Valuation of the Goodwill of the firm was to be made at twice the average profit of the last three years. The profit were as follows :
   2010 - Rs. 32,000, 2009 - Rs. 54,000 and 2008 - Rs. 49,000
   Siya is to bring the goodwill in cash equal to her share.
5) Closing Stock was to be valued at Rs. 15,000.

Prepare : Profit & Loss Adjt A/c, Partner's Capital & B/S of new firm.

OR

Q.2. **A) Following is the Balance Sheet of Amita and Neha who shared profits and losses in the ratio 3 : 2.** [7]

Balance Sheet as on 31st December, 2008

Liabilities	Rs.	Assets	Rs.
Capitals :		Investment	10,000
Amita	20,000	Machinery	36,000
Neha	20,000	Debtors	8,000
Reserve fund	10,000	Furniture	20,000
Sundry Creditors	20,000	Cash	6,000
Bills Payable	10,000		
	80,000		80,000

The firm was dissolved on 31st December, 2008 and you are informed that :

1) Realisation Expenses were Rs. 1,000.
2) Creditors were paid at Rs. 19,500 in full settlement.
3) Cash realised from Debtors Rs. 7,500; Machinery Rs. 34,500; Investment Rs. 9,500; and furniture Rs. 15,000.

Prepare Realisation A/c and Partner's Capital A/c.

B) **Following is the Balance Sheet of Abhi, Manish and Kabir.** [8]

Balance Sheet as on 31st December, 2009

Liabilities	Rs.	Assets	Rs.
Capital :		Machinery	4,000
Abhi	24,000	Stock and Debtors	44,000
Manish	18,000	Kabir's Capital	2,000
Creditors	8,000		
	50,000		**50,000**

Kabir is declared insolvent, firm is dissolved and assets realised as follows :

1) Machinery at book value, Stock and Debtors Rs. 42,000.
2) Dissolution expenses paid amounted to Rs. 7,000.
3) Kabir could pay only Rs. 950 of the balance due.
4) Profit Sharing Ratio was $\frac{8}{15}; \frac{4}{15}; \frac{3}{15}$

Show Realisation Account, Partner's Capital A/c and Cash/Bank Account.

Q.3. **From the following Balance Sheet of M/s. AONE Store with Trupti, Pratiksha and Vaibhavi as partners sharing profit and losses in the ratio of 5:3:2. Their Balance Sheet as on that date of dissolution was as follows :** [15]

Liabilities	Rs.	Assets	Rs.
Partner's Capital :		Cash in hand	4,800
Trupti	19,400	Fixed Assets	40,000
Pratiksha	10,200	Current Assets	30,000
Vaibhavi	13,000		
General Reserve	9,600		
Trupti's loan	10,600		
Sundry Creditors	12,000		
	74,800		**74,800**

1) The Realisation Expenses were estimated at Rs. 2,000.
2) The Assets were realised as under :

   First Installment Rs. 30,640
   Second Installment Rs. 14,360
   Third Installment Rs. 10,000
3) Actual realisation expenses were Rs. 1,500 only.

Prepare a statement showing Piecemeal distribution of cash by adopting Excess Capital Method.

OR

Q.3. A) **Sonal, Smita and Priyanka were partners in a firm sharing Profit & Losses in the ratio 3:2:1 respectively. Their Balance Sheet was as follows :** [7]

Balance Sheet as on 31st December, 2009

Liabilities	Rs.	Assets	Rs.
Capital Accounts :		Plant & Machinery	60,000
Sonal	48,000	Cash	21,600
Smita	36,000	Stock	24,000
Priyanka	24,000	Debtors	36,000
Creditors	33,600		
	1,41,600		**1,41,600**

(P.T.O.)

On the same date Priyanka retires from the business and the following adjustments are to be made :

1) Goodwill of the firm valued at Rs. 18,000.
2) R.D.D. is to be maintained at 5% on Debtors.
3) Assets be revalued as under :
   Stock and Plant & Machinery is to be appreciated by 5% & 10% respectively.
4) The amount payable to the retiring partner should be transferred to her Loan Account.

Prepare Revaluation A/c & Partner's Capital A/c.

B) Amar, Akbar and Anthony were partners sharing Profit and Losses in the proportion to theri capital. The Balance Sheet of a firm as on 31st December, 2010 was as follows: [8]

Balance Sheet as on 31st December, 2010

Liabilities	Rs.	Assets	Rs.
Capital A/c's :		Cash	14,000
Amar	30,000	Debtors	21,000
Akbar	20,000	Building	38,000
Anthony	10,000	Investment	17,000
Creditors	21,000		
General Reserve	9,000		
	90,000		**90,000**

Amar died on 30th April, 2011 and following adjustment were made in the books:

1) Building was valued at Rs. 42,000.
2) Investment were reduced by Rs. 2,200.
3) Amar's share of profit upto his death was to be calculated on the basis of last year's profit which was Rs. 9,000.

Prepare Revaluation Account, Partner's Capital A/c and Balance Sheet after the death of Amar.

Q.4. A) Fill in the blanks : [5]

1) A ________ Account is opened to record the gains & losses on revaluation.
2) The balance in the Capital Account of the deseased partner is transferred to his ________ account.
3) Realisation Account is prepared on ________ of firm.
4) The interest accrued is shown on ________ side of Balance Sheet.
5) In the absence of Partnership agreement partners share profit & loss in the ________ ratio.

B) Match the following : [5]

Group A	Group B
1) Dissoluton	a) Sacrifice Ratio
2) Prepaid Expenses	b) Gain Ratio
3) Goodwill	c) Asset side of B/sheet
4) Admission of a Partner	d) Intangible Asset
5) Retirement of a Partner	e) Liability side of B/sheet
	f) Realisation A/c

C) State following statements are True or False : [5]

1) Indian Partnership Act is in force since 1932.
2) In Excess Capital Method the minimum Capital is equal to the lowest unit capital.
3) On dissolution of firm, fictitious assets or Accumulated losses are transferred to Realisation Account.
4) In a Piecemeal distribution the amount realised from assets are used to pay first the realisation expenses.
5) Increase in the value of Liability indicates gain or revaluation.

OR

Q.4. Write Short Notes (any 3) [15]

1) Proportionate Capital Method.
2) Gain Ratio.
3) Revaluation Account.
4) Sacrifice Ratio.

— THE END —