Accountancy	**Class XII**	**Best in West**
Time: 2 hours	**Test Paper-II**	**Max. Marks: 60**

Q1. X and Y were partners with profit sharing ratio of 1 : 1. Their balance sheet on 31.03.2018 was as follows:

Liabilities	**Amount** (Rs.)	**Assets**		**Amount** (Rs.)
Creditors	30,000	S. Debtors	37,500	
General Reserve	20,000	(--) provision	4,200	33,300
Bank Loan	15,000	Cash		18,750
B\P	18,750	Stock		22,500
Workmen's compen-		Goodwill		22,750
sation Fund	11,250	Building		52,500
Capitals:-		Patents		27,500
X 56,250		Investments		11,150
Y 45,000	1,01,250	Profit & Loss A/c		7,800
	1,96,250			1,96,250

They admitted Z into partnership on this date. The new ratio is agreed as 2 : 3 : 1. Z brings Rs.40,000 as his share of capital and Rs.10,000 as his share of goodwill. The following adjustments were agreed upon :-

(i) Provision for doubtful debts is to be reduced by 2,000.
(ii) Stock is appearing at 20 % above cost but is now to be recorded at cost.
(iii) There is an old typewriter valued at Rs.2,000. It does not appear in the books of the firm. It is now to be taken over by Y.
(iv) Patents are now considered worthless.
(v) Value of Buildings is to be increased by Rs.30,000.
(vi)Liability on account of workmen's compensation fund is estimated at Rs. 9,000.
(vii) Reserve of Rs.9,000 is to be maintained in the books.
(viii) Bank loan is agreed to be paid by new partner.
(ix) Capitals of the other partners to be adjusted in the new ratio as per capital introduced by Z.

Prepare Revaluation A/c, Cash A/c, Partners Capital A/c and the opening balance sheet of X,Y and Z.

[15]

Q2. A and B are partners sharing profit and losses as 2 : 1. On 1st April 2015 they admit C as a partner for 1/5 share who pays Rs. 4,500 as goodwill privately. On 1st April 2016 they take D as a partner for 1/6th share who brings Rs. 4,000 as goodwill out of which half is withdrawn by existing partners. On 1st April 2017 E is admitted as a partner for 1/8th share who brings Rs.9000 as goodwill which is retained in the business. The final profit sharing ratio was agreed among the partners as 5:4:3:2:2. ***Journalise*** the above transactions in the books of the firm.

[7]

Q3. (i) A, B and C were partners. While B was on a visit to America A & C admitted D into partnership without consulting him. When B came back he objects to the admission of D. But A and C told B that the decision of majority will prevail. Is the admission of D valid. ***Comment***.

(ii) What do you understand by Revaluation A/c. [4+2]

Q4. B and C are partners sharing profits in the ratio of 3:2. They admit D into the firm for 3/7th profits which he takes 2/7th from B and 1/7th from C and brings Rs.1,00,000 as premium out of his share of Rs.1,50,000. Goodwill account appears at Rs.1,20,000 in the books of B and C.

Give Journal Entries. [5]

Q5. X and Y are partners sharing profit in the ratio of 3 : 2 .On Ist April 2018 the balance sheet was as Under:-

Liabilities	**Amt.**	**Assets**	**Amt.**

Bills payable	12,000	Cash		12,000
Creditors	63,000	Plant		18,000
Reserve	25,000	Debtors	65,000	
		(--) Prov.	2,000	63,000
Capitals		Building		1,05,000
X	80,000	Stock		72,000
Y	95,000	P&L a/c		5,000
	2,75,000			2,75,000

Z is admitted as a partner on the above date. The new profit sharing ratio shall be X - 3/8, Y - 3/8 and Z- 2/8. Z paid Rs. 30,000 as his share of goodwill and is required to bring the capital sufficient to make it proportionate to his share of profits. The other terms were:

(i) Stock is to be valued at Rs. 69,000, Building at Rs.1,20,000.
(ii) A provision against a claim for damages Rs.3,000 is to be credited.
(iii) Investment of the value of Rs.15,000 belonging to the firm not recorded in the books should now brought in.
(iv) Plant is to be appreciated by 125%.
(v) X and Y withdrew half of the goodwill.
(vi) 30% of the Reserve should be kept as provision for doubtful debts.
(vii) There was a purchase of Rs. 50,000 which was taken into stock but omitted to be entered in the list of supplier.

Prepare Revaluation A/c and Balance Sheet of the New Firm. [10]

Q6. ***Give*** six factors which effects the goodwill of the business. [3]

Q.7 A and B are partners sharing profits in 2 : 1. They admit C into partnership who brings Rs. 30,000 as his share of goodwill. Their new profit sharing ratio is 1: 2 ; 2. Give Journal entries if goodwill a/c already appears in the balance sheet at Rs. 60,000 and is to continue with the same. [5]

Q.8 P and Q are partners sharing profits in the ratio of 3 : 2. R is admitted and the new ratio is 2:2:1. Brings Rs.20,000 as capital and Rs. 2,000 as goodwill. The Balance sheet of P and Q is as follows:-

Liabilities		Amount	Assets	Amount
Capital:-			Goodwill	2,500
P	10,000			
Q	10,000		Sundry Assets	25,500
		20,000		
Reserve fund		8,000		
		28,000		28,000

Partners decided that goodwill account should appear in the new firm's books at Rs. 6,000. Sundry Assets is to be recorded at 80%. Reserve fund is to be shown at its old figure.

Give journal entries and prepare balance sheet of the new firm. [9]