S.F.D.A.V. Public School,Muzaffarnagar
Question Bank
Class XII
Accountancy(B.A.)

Q.1 State the conditions under which capital balances may change under the system of a Fixed Capital Account.

Q.2 A is partner in a firm. His capital as on Jan 01, 2007 was Rs. 60,000. He introduced additional capital of Rs. 20000 on Oct 01 2007. Calculate interest on A's capital @ 9% p.a.

Q.3 Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 20,000, Rs. 30,000 and Rs. 1,00,000 respectively. Alka and Barkha desire that the profit should be divided in the ratio of capital contribution. Charu does not agree to this. How will you settle the dispute.

Q.4 A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs. 18,000 per month. State with reason whether the claim is valid or not.

Q.5 Chandar and Suman are partners in a firm without a partnership deed. Chandar's capital is Rs. 10,000 and Suman's capital is Rs. 14,000. Chander has advanced a loan of Rs. 5000 and claim interest @ 12% p.a.State whether his claim is valid or not.

Q.6 R, S, and T entered into a partnership of manufacturing and distributing educational CD's on April 01, 2006. R looked after the business development, S content development and T financed the project. At the end of the year (31-03-2007) T wanted an interest of 12% on the capital employed by him. The other partners were not inclined to this. How would you resolve this within the ambit of the Indian Partnership Act, 1932?

Q.7 A, B and C are partners in a firm. A withdrew Rs. 1000 in the beginning of each month of the year. Calculate interest on A's drawing @ 6% p.a.

Q.8 A, B and C are partners in a firm, B withdrew Rs. 800 at the end of each month of the year. Calculate interest on B's drawings @ 6% p.a.

Q.9 A, B and C are partners in a firm. They have omitted interest on capital @ 10 % p.a. for three years ended 31st march 2007. Their fixed capitals on which interest was to be calculated through –out were

A	Rs. 1,00,000
B	Rs. 80,000
C	Rs. 70,000

Give the necessary Journal entry with working notes.

Q.10 X, Y, and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared it was discovered that interest on drawings @ 5 % had not been taken into consideration. The drawings of the partner were X Rs. 15000, Y Rs. 12,600, Z Rs. 12,000. Give the necessary adjusting Journal entry.

Q.11 A, B and C are partners sharing profits and losses in the ratio of 3:2:1. Their fixed capitals are Rs. 1,50,000, Rs. 1,00,000 and Rs. 80,000 respectively. Profit for the year after providing interest on capital was Rs. 60,000, which was wrongly transferred to partners equally. After distribution of profit it was found that interest on capital provided to them @ 10% instead of 12% . Pass necessary adjustment entry.
Show your working clearly.

Q.12 Ravi and Mohan were partner in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following:-
(i) Interest on capital @ 12% p.a.
(ii) Ravi's salary Rs. 6000 per month and Mohan's salary Rs. 60000 per year.
The profit for the year ended 31-03-2007 was Rs. 5,04,000 which was distributed equally without providing for the above. Pass an adjustment Entry.

Q.13 On what occasions does the need for valuation of goodwill arise?

Q.14 Why is it necessary to revalueassets and reassess liabilities at the time of admission of new partner?

Q.15 What is meant by sacrificing ratio?

Q.16 State two occasions when sacrificing ratio may be applied.

Q.17 A business has earned average profit of Rs. 60,000 during the last few years. The assets of the business are Rs. 5,40,000 and its external liabilities are Rs. 80,000. The normal rate of return is 10%. Calculate the value of goodwill on the basis of capitalisation of super profits.

Q.18 The capital of a firm of Arpit and Prajwal is Rs. 10,00,000. The market rate of return is 15% and the goodwill of the firm has been valued Rs. 1,80,000 at two years purchase of super profits. Find the average profits of the firm.

Q.19 The average profits for last 5 years of a firm are Rs. 20,000 and goodwill has been worked out Rs. 24,000 calculated at 3 years purchase of super profits. Calculate the amount of capital employed assuming the normal rate of interest is 8 %.

Q.20 Rahul and Sahil are partners sharing profits together in the ratio of 4:3. They admit Kamal as a new partner. Rahul surrenders $1/4^{th}$ of his share and Sahil surrenders $1/3^{rd}$ of his share in favour of Kamal. Calculate the new profit sharing ratio.

Q.21 Ajay and Naveen are partners sharing profits in the ratio of 5:3. Surinder is admitted in to the firm for $1/4^{th}$ share in the profit which he acquires from Ajay and Naveen in the ratio of 2:1. Calculate the new profit sharing ratio.

Q.22 A and B were partners sharing profits in the ratio of 3:2. A surrenders $1/6^{th}$ of his share and B surrenders $1/4^{th}$ of his share in favour of C, a new partner. What is the new ratio and the sacrificing ratio.

Q.23 Aarti and Bharti are partners sharing profits in the ratio of 5:3. They admit Shital for 1/4th share and agree to share between them in the ratio of 2:1 in future. Calculate new and sacrificing ratio.

Q.24 X and Y divide profits and losses in the ratio of 3:2. Z is admitted in the firm as a new partner with 1/6th share, which he acquires from X and Y in the ratio of 1:1. Calculate the new profit sharing ratio of all partners.

Q.25 Rakhi and Parul are partners sharing profits in the ratio of 3:1. Neha is admitted as a partner. The new profit sharing ratio among Rakhi, Parul and Neha is 2:3:2. Find out the sacrificing ratio.

Q.26 X and Y are partners sharing profits in the ratio of 5:4. They admit Z in the firm for 1/3rd profit, which he takes 2/9th from X and 1/9th from Y and brings Rs. 1500 as premium. Pass the necessary Journal entries on Z's admission.

Q.27 Ranzeet and Priya are two partners sharing profits in the ratio of 3:2. They admit Nilu as a partner, who pays Rs. 60,000 as capital. The new ratio is fixed as 3:1:1. The value of goodwill of the firm was determined at Rs. 50,000. Show journal entries if Nilu brings goodwill for her share in cash.

Q.28 Distinguish between Sacrificing Ratio and Gaining Ratio.

Q.29 Kamal, Kishore and Kunal are partners in a firm sharing profits equally. Kishore retires from the firm. Kamal and Kunal decide to share the profits in future in the ratio 4:3. Calculate the Gaining Ratio.

Q.30 P, Q and R are partners sharing profits in the ratio of 7:2:1. P retires and the new profit sharing ratio between Q and R is 2:1. State the Gaining Ratio.

Q.31 A, B and C are partners in a firm sharing profits in the ration of 2:2:1. B retires and his share is acquired by A and C equally. Calculate new profit sharing ratio of A and C.

Q.32 X, Y and Z are partners sharing profits in the ratio of 4/9, 1/3 and 2/9. X retires and surrenders 2/3rd of his share in favour of Y and remaining in favour of Z. Calculate new profit sharing ratio and gaining ratio.

Q.33 X, Y and Z have been sharing profits and losses in the ratio of 3:2:1. Z retires. His share is taken over by X and Y in the ratio of 2:1. Calculate the new profit sharing ratio.

Q.34 P, Q and R were partners in a firm sharing profits in 4:5:6 ratio. On 28-02-2008 Q retired and his share of profits was taken over by P and R in 1:2 ratio. Calculate the new profit sharing ratio of P and R.

Q.35 Mayank, Harshit and Rohit were partners in a firm sharing profits in the ratio of 5:3:2. Harshit retired and goodwill is valued at Rs 60000. Mayank and Rohit decided to share future profits in the ratio 2:3. Pass necessary journal entry for treatment of goodwill.

Q.36 Ramesh, Naresh and Suresh were partners in a firm sharing profits in the ratio of 5:3:2. Naresh retired and the new profit sharing ratio between Ramesh and Suresh was 2:3. On Naresh retirement the goodwill of the firm was valued at Rs. 120000. Pass necessary journal entry for the treat.

Q.37 L, M and O were partners in a firm sharing profits in the ratio of 1:3:2. L retired and the new profit sharing ratio between M and O was 1:2. On L's retirement the goodwill of the firm was valued Rs. 120000. Pass necessary journal entry for the treatment of goodwill.

Q.38 State the journal entry for treatment of deceased partners share of profit for his life period in the year of death.

Q.39 X, Y and Z were partners in a firm sharing profits and losses in the ratio of 3:2:1. The profit of the firm for the year ended 31st March, 2007 was Rs. 3,00000. Y dies on 1st July 2007. Calculate Y's share of profit up to date of death assuming that profits in the year 2007- 2008 have been <u>accured</u> on the same scale as in the year 2006-07 and pass necessary journal entry.

Q.40 A, B and C were partners in a firm sharing profits in 3:2:1 ratio. The firm closes its books on 31st March every year. B died on 12-06-2007. On B's death the goodwill of the firm was valued at Rs. 60000. On B's death his share in the profit of the firm till the time of his death was to be calculated on the basis of previous years which was Rs.150000. Calculate B's share in the profit of the firm. Pass necessary journal entries for the treatment of goodwill and B's share of profit at the time of his death.

Q.41 A, B and C were partners in a firm sharing profits in the ratio of 2:2:1. C dies on 31st July, 2007. Sales during the previous year upto 31st march, 2007 were Rs. 6,00,000 and profits were Rs. 150000. Sales for the current year upto 31st July were Rs. 250000. Calculate C's share of profits upto the date of his death and pass necessary journal entry.

Q.42 Why is Realisation Account prepared on dissolution of partnership firm?

Q.43 State any one point of difference between Realisation Account and Revaluation Account.

Q.44 All partners wish to dissolve the firm. Yastin, a partner wants that her loan of Rs. 2,00000 must be paid off before the payment of capitals to the partners. But, Amart, another partner wants that the capital must be paid before the payment of Yastin's loan. You are required to settle the conflict giving reasons.

Q.45 Gupta Ltd has incurred a loss of Rs. 8,00,000 before payment of interest on debentures. The directors of the company are of the opinion that interest on debentures is payable only when company earn profit. Do you agree?

Q.46 As per latest guidelines governing the servicing of debentures a company is required to create on special account. Name that account.

Q.47 Name the method of redemption of debentures in which there is no requirement of creating Debenture Redemption Reserve.

Q.48 What is the nature of receipt of premium on issue of shares?

Q.49 Can a company issue shares at a premium in the absence of any express authority in its articles?

Q.50 Distinguish between dissolution of partnership and dissolution of partnership firm on the basis of continuation of business.