Accountancy

Maximum Marks: 80
Time Allowed: 3 Hours
General Instructions:

- ✓ All questions are compulsory.
- ✓ Show working notes wherever necessary.
- ✓ Use of calculator is not permitted.
- ✓ Marks are indicated against each question.

Section A – (1 Mark Each) **(Attempt all questions) (1 × 6 = 6 Marks)**

Q1. State the meaning of Partnership.

Q2. What is meant by sacrificing ratio?

Q3. Give one circumstance when goodwill is not recorded in the books of accounts.

Q4. What is gaining ratio?

Q5. State any one reason for the revaluation of assets and liabilities on retirement of a partner.

Q6. Give any one difference between dissolution of partnership and dissolution of partnership firm.

Section B – (3 Marks Each) (Attempt any 4) (3 × 4 = 12 Marks)

Q7. A and B are partners in the ratio of 3:2. They admit C as a new partner with 1/5th share in profits. C brings ₹50,000 as goodwill. Pass the journal entry for goodwill if it is retained in the business.

Q8. State any three rights acquired by a newly admitted partner.

Q9. X, Y, and Z are partners sharing profits in the ratio 4:3:2. Z retires. The new profit sharing ratio between X and Y is 5:3. Calculate gaining ratio.

Q10.A firm has an average profit of ₹80,000. The normal rate of return is 10% and capital employed is ₹5,00,000. Calculate goodwill using the super profit method for 3 years.

Q11. Give journal entries for distribution of:

- Profit on revaluation
- Accumulated profits
- Loss on revaluation

Section C – (4 Marks Each) (Attempt any 4) (4 × 4 = 16 Marks)

Q12. Distinguish between fixed capital and fluctuating capital.

Q13. A and B are partners sharing profits in the ratio of 3:2. They admit C as a partner for 1/4th share. C brings ₹40,000 as capital and ₹15,000 as goodwill. Pass journal entries.

Q14. R, S, and T are partners. T retires from the firm. The goodwill of the firm is valued at ₹1,20,000. R and S decide to share future profits in 3:2. Pass journal entry.

Q15. Explain the treatment of Joint Life Policy at the time of death of a partner.

Q16. Mention four provisions of the Indian Partnership Act regarding settlement of accounts at the time of dissolution of a firm.

Section D – (6 Marks Each) (Attempt any 3) (6 × 3 = 18 Marks)

Q17. Balance Sheet

Liabilities	**Amount**	**Assets**	**Amount**
Capital A/cs:			
X	60,000	Machinery	70,000
Y	40,000	Furniture	20,000
Z	30,000	Debtors	25,000
Creditors	15,000	Stock	30,000
		Bank	0
Total	1,45,000	**Total**	1,45,000

Z retires on 1st April. Following adjustments are agreed:

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(a) Goodwill of the firm is valued at ₹24,000.
(b) Machinery is revalued at ₹65,000, stock at ₹35,000.
(c) Provision for doubtful debts is to be made at 5%.
(d) Z is to be paid immediately. Prepare Revaluation A/c, Capital A/c, and Balance Sheet.

Q18. A, B, and C are partners sharing profits in the ratio 2:2:1. C died on 30th June 2024. Their balance sheet on 1st April 2024 showed:

- Capital: A ₹60,000, B ₹60,000, C ₹40,000
- General Reserve: ₹10,000
- C's share of profit till death estimated at ₹6,000
- Goodwill of firm: ₹50,000
  Prepare C's Capital Account and show amount payable to his executor.

Q19. X, Y and Z were partners sharing profits and losses in the ratio of 5:3:2. They dissolved the firm on 1st April 2024. Assets realized ₹1,50,000. Liabilities paid off ₹20,000. The balance in capital accounts was:

- X ₹60,000, Y ₹50,000, Z ₹40,000
  Realisation expenses ₹5,000. Prepare:
- Realisation Account
- Partner’s Capital Accounts
- Bank Account

Section E – (8 Marks Each) 1 × 8 = 8 Marks)

Q20. A, B, and C are partners in the ratio 4:3:2. B retires and A and C decide to share profits equally. Goodwill of the firm is valued at ₹36,000. The firm had general reserve ₹18,000. B’s capital before adjustments is ₹1,00,000. After adjustments, the total capital of the firm will be ₹2,70,000 in the new ratio. Prepare:

- Goodwill Adjustment
- General Reserve Distribution
- Capital Adjustments