

HOLIDAY HOMEWORK ACCOUNTANCY
- CLASS XII(2026-27)

Q1. Do solve the numericals of chapter Fundamental of Partnership and Valuation of Goodwill, change in profit sharing ratios among partners Admission of partner from scanner of Double entry book keeping Class XII (T S Grewal) in Assignment Register.

Q3. Do the following Objective Type Questions:

1. What is meant by Partnership?
2. What is meant by Partnership Deed?
3. Give one difference between P & L A/c and P & L Appropriation A/c.
4. What are the provisions applicable in absence of partnership deed?
5. What is the difference between fixed capital and fluctuating capital account ?
6. Why there is a need of written agreement between the partners?
7. What is the minimum and maximum number of partners in all partnership?
8. What is the status of partnership from an accounting viewpoint?
9. Give two circumstances in which the fixed capital of partners may change
10. If the partner's capital accounts are fixed, where will you record the following items:
 - (i) Salary to partners
 - (ii) Drawing by a partners
 - (iii) Interest on capital
 - (iv) Share of profit earned by a partner?
11. Ramesh, a partner in the firm has advanced a loan of a Rs 1,00,000 to the firm and has demanded on interest @ 9% per annum to which other partners do not agree. The partnership deed is silent on the matter how will you deal with it?
12. The partnership deed provides that Anjali, the partner will get Rs 10,000 per month as salary. But the remaining partners object to it. How will this matter be resolved?
13. Partner's salary is debited to:
 - (a) Trading Account
 - (b) Profit and Loss Account
 - (c) Profit & Loss Appropriation Account
 - (d) None of these
14. Current Account of the partners should be opened, when capital are:
 - (a) Fluctuating
 - (b) Fixed
 - (c) Circulating
 - (d) None of these
15. Maximum Number of Partners in a firm is 100 (true or false)
16. Liability of a partner is _____ (fill in the blank).
17. What time would be taken into consideration if equal monthly amount is drawn as drawings at the beginning of each month?
 - (a) 7 months
 - (b) 6 months
 - (c) 5 months
 - (d) 6.5 months
18. What balance does a partner's current account has?
 - (a) Debit balance
 - (b) Credit balance
 - (c) A or B
 - (d) None of these
19. The interest on Partner's Capital Accounts is to be credited to:
 - (a) Profit and Loss A/c
 - (b) Interest A/c
 - (c) Partner's Capital A/c
 - (d) None of these
20. A draws 1,000 per month on the last day of every month. If the rate of interest on drawing 5 % p.a. then the total interest on drawings will be _____ (fill in the blank).

Q4. Solve the following Questions:

1. Mohan is a partner in a firm. He withdraws the following amounts during the year 2006:

	Rs.
February 1	4,000

May 1	10,000
June 30	4,000
October 31	12,000
December 1	4,000

Interest on drawings is to be charged @ $7\frac{1}{2}$ per cent per annum. Calculate the amount of interest to be charged on Mohan's drawings for the year 2006.

2. Calculate the interest on drawings of Mr. Ashok @ 10 per cent per annum for the year ended 31st March, 2007. In each of the following alternative cases:

Case 1. If the withdrew Rs 3,600 in the beginning of each quarter.

Case 2. If the withdrew Rs 3,600 at the end of each quarter.

Case 3. If the withdrew Rs 3,600 during the middle of each quarter.

3. Ram and Mohan are partners in a business. Their capitals at the end of the year were Rs 24,000 and Rs 18,000 respectively. During the year 2006-07, Ram's drawings and Mohan's drawings were Rs 4,000 and Rs 6,000 respectively. Profits (before charging interest on capital) during the year were Rs 16,000. Calculate interest on capital @ 5 per cent per annum for the year ending 31st March, 2007.

4. Sajal and Kajal are partners sharing profits and losses in the ratio of 2:1. On 1st April, 2006 their Capitals were: Sajal-Rs 50,000, Kajal-Rs 40,000.

Prepare the Profit and Loss Appropriation Account and the Partner's Capital Accounts at the end of the year after considering the following items:

(a) Interest on Capital is to be allowed @ 5 per cent per annum.

(b) Interest on the loan advanced by Kajal for the whole year, the amount of loan being Rs 30,000.

(c) Interest on partners' drawing @ 6 per cent per annum. Drawings: Sajal Rs 10,000; Kajal Rs 8,000.

(d) 10 per cent of the divisible profits is to be transferred to Reserve.

They earned profit of Rs. 70,260 for the year ended 31st March, 2007.

5. Amal and Bimal are partners of a firm sharing profits in the ratio of 4:1 respectively. On 1st April, 2006 their Capital stood at: Amal Rs 50,000 and Bimal Rs 40,000, The firm earned a Net Profit of Rs 1,75,000 in the year ended on 31st March, 2007. Draw the Profit and Loss Appropriation Account for the year ended 31st March 2007, after considering the following adjustments:

Interest on Capital at 5 per cent per annum; Interest at 6 per cent per annum on Bimal's Loan (to the firm) of Rs. 50,000; Interest of Partners' drawing at 6 per cent; the drawings being: Amal Rs 15,000 and Bimal Rs 10,000.

6. Anshul and Asha are partners sharing the profits and losses in the ratio of 3:2. Anshul being a non-working partner contributed Rs 8,00,000 as her capital. Asha being a working partner agreed to work for the firm. The partnership deed provides for interest on capital @ 5 per cent and salary to every working partner @ Rs 2,000 per month. The net profit before providing for interest on capital and partner's salary for the year ended 31st March, 2007 was Rs 32,000. Show the distribution of profits.

7. Ram, Mohan and Sohan sharing profits and losses equally have capitals Rs 1,20,000, Rs 90,000 and Rs 60,000. For the year 2005, interest was credited to them at 6 per cent instead of 5 per cent. Give adjusting Journal entry.

8. A, B and C were partners in a firm. On 1st January, 2005 their capitals stood at Rs 50,000, Rs 25,000 and Rs 25,000 respectively. As per the provisions of the partnership deed:

(a) C was entitled for a salary of Rs 1,500 per month.

(b) Partners were entitled to interest on capital at 5 per cent per annum.

(c) Profits were to be shared in the ratio of capitals.

The net profit for the year 2005 of Rs 45,000 was divided equally without providing for the above terms. Pass an adjustment entry to rectify the above errors.

9. Gold, Silver and Copper entered into partnership on January 1, 2005, sharing profits and losses in the ratio of 2:2:1. Gold, however, personally guaranteed that Copper's share of profit, after charging interest on Capital @ 5 per cent per annum would not be less than Rs 8,000 in any year. The Capitals were: Gold Rs 50,000; Silver Rs 30,000 and Copper Rs 20,000. The profits for the year ended December 31, 2005 amounted to Rs 35,000. Show the Profit and Loss Appropriation Account.

10. The Capital Accounts of A and B stood at Rs 4,00,000 and Rs 3,00,000 respectively after necessary adjustments in respect of the drawings and the net profits for the year ending 31st March, 2006. It was subsequently ascertained that 5 per cent per annum interest on capital and drawings were not taken into account in arriving at the net profit. The drawing of the partners had been: A-Rs 12,000 drawn at the end of each quarter and B-Rs 18,000 drawn at the end of each half year.

The profits for the year as adjusted amounted to Rs 2,00,000. The partners share profits in the ratio of 3:2.

You are required to pass Journal entries and show the adjusted Capital Accounts of the partners.

11. On 1st April 2018, a firm had assets of Rs 3,00,000 including Cash of Rs 5,000. The Partner's Capital A/c showed a balance of 2,00,000 & the Reserve Constituted the rest. If the normal rate of return of is 10 % & the goodwill of the firm is valued at Rs 2,00,000 at four years purchase of Super Profit. Find the average Profit of the firm.[Hint:- Average Profit = Super Profit + Normal Profit]

12. Balance Sheet of M/s Laxmi Stores as at 31/3/2019 was as follows.

Liabilities	Amount (Rs)	Assets	Amount(Rs)
Capital A/cs		Land Building	400,000
A 1,50,000		Computers	70,000
B 1,50,000	4,50,000	Furniture	30,000
C 1,50,000	2,50,000	Investments	1,00,000
Reserves		Stock	2,00,000
Sundry Creditors	3,00,000	Sundry Debtors	1,50,000
Outstanding Expenses	10,000	Bill Receivable	50,000
Bank Overdraft	90,000	Cash in Hand	50,000
		Advertisement Suspense	50,000
	11,00,000		11,00,000

Average Profit was Rs.1,25,000. Calculate goodwill at 3 year's purchase of Super Profit given NRR = 15 % if --

- Investment is treated as Trade Investment
- Investment is taken as Non- Trade Investment

[Hint;- Non Trade Investment are deducted to calculate Capital Employed]

13. Calculate value of goodwill of the firm -

- (a) At 3 years purchase of Average Profit
- (b) At 3 year's purchase of Super Profit
- (c) On the basis of Capitalisation of Super Profit
- (d) On the basis of Capitalisation of Average Profit

Following Information is given -

- (i) Average capital Employed is Rs 6,00,000
 - (ii) Net Profit/(Loss) of the firm for the last 3 years ender are (Rs)

31st March 2019	2,00,000
31st March 2018	1,80,000
31st March 2017	1,60,000
 - (iii) Normal Rate of return in similar business is 10 %
 - (iv) Remuneration of ` 1,00,000 to partners is to be taken as charge against profit
- Assets of the firm (excluding goodwill) fictitious assets and Non-trade investments) is Rs. ` 7,00,000 whereas Partner's Capital is ` Rs.6,00,000 & outside liabilities Rs1,00,000.

14. The Capital Employed in a firm is Rs.10,00,000 & the market rate of interest is 15 %. Annual Salary of the partners is Rs 80,000. the profit of the last 3 years were Rs 3,00,000, Rs 4,00,000 & Rs 5,00,000 respectively. Calculate value of goodwill on the basis of 2 years purchase of average super profit of last 3 years.

15. Average profit earned be a firm is Rs 2,50,00 which includes overvaluation of stock of Rs 10,000 on an average basis. Capital invested in the business is Rs 14,00,000 & the normal rate of return is 15%. Calculate goodwill of the firm on the basis of 4 times the Super Profit.

OR

On April 1, 2018, a firm has assets of Rs 1,00,000 excluding stock of Rs 20,000 . The current liabilities were Rs 10,000 and the balance constituted partner's capital Accounts. If the normal rate of return is 8 %, the Goodwill of the firm is valued at Rs 60.000 at four years purchase of super profit, find the actual profits of the firm.