



S.Y.J.C./ V.C.R.
17/12/2019

Accounts Test No:- 10
Topic:- Single Entry & Admission of Partner

Marks:- 40
Time: 1 ½ Hrs.

- Q.1** Select the most appropriate alternative from those given below and rewrite the statements: (4)
- Generally incomplete records are maintained by _____.
(a) trader (b) company (c) Society (d) Government
 - Further capital introduced during the year is _____ from closing capital in order to find out the correct profit.
(a) added (b) deducted (c) divided (d) ignored
 - The proportion in which old partners make a sacrifice is called _____ ratio.
(a) capital (b) gaining (c) sacrifice (d) new
 - _____ is an intangible asset.
(a) Goodwill (b) Stock (c) Building (d) Cash

- Q.2** Mrs. Shailaja keeps her books under single entry system and given the following information. (8)

Particulars	01-04-2012 Amt. (₹)	31.03.2013 Amt. (₹)
Investments	-----	12,000
Bank overdraft	-----	10,000
Bills payable	5,000	8,000
Creditors	26,500	31,500
Furniture	9,000	19,000
Debtors	35,000	50,000
Stock	15,000	19,000
Bank balance	18,000	28,000

Additional Information:

- Mrs. Shailaja withdrew ₹ 4,000 for her personal use. She received ₹ 15,000 from her father as gift, which she brought into the business.
- Additional furniture was purchased on 01.10.2012. Depreciate furniture by 10% p.a.
- Write off RS. 1,000 as bad debt provide 5% R.D.D. on debtors.

Prepare:- (1) Opening and Closing statement of affairs and (2) Statement of profit of loss for the year ended 31st March 2013.

- Q.3** Mrs. Meena of Bilaspur has not kept proper books of accounts following information is provided to you. (8)

Particulars	31-03-2012 Amt. (₹)	31.03.2013 Amt. (₹)
Machinery	50,000	50,000
Furniture	50,000	30,000
Debtors	18,000	25,000
Crediotrs	18,000	20,000
Stock	30,000	42,000
Outstanding Expenses	1,500	-----
Pre-paid Expenses	----	500
Cash at Bank	28,000	40,000

Further Information:

- Mrs. Meena introduced additional capital as on 1st October, 2012 by selling her personal car for ₹ 10,000.
- She paid her daughter's college fees from business bank account ₹ 3,000
- Depreciate machinery by 5% p.a.
- Provide 2% on debtors for Bad and Doubtful debts.
- Interest on capital is to be provided @ 5% p.a. and on drawings @ 5% p.a.

Prepare: Opening and closing statement of affaris and Statement of profit or loss for the year ended 31st March, 2013.

Q.4 Following is the balance sheet of Harish and Girish.

(10)

Balance sheet as on 31st March, 2018

Liabilities		Amt. (₹)	Assets		Amt. (₹)
Creditors		38,000	Cash in Hand		37,000
Bills Payable		46,000	Stock		21,000
Profit & Loss A/c		16,000	Debtors	46,000	
Capital Accounts			Less:- R.D.D.	6,000	40,000
Harish	1,00,000		Equipments		12,000
Girish	1,40,000	2,40,000	Furniture		25,000
			Plant		85,000
			Building		1,20,000
		3,40,000	Total		3,40,000

They admitted Shirish on 1st April 2018 on the following conditions:

1. For his 1/3rd share in the future profits Shirish brings ₹ 2,00,000 as his capital.
2. It is decided to raise goodwill by ₹ 90,000 and write it off fully after Shirish's admission.
3. Equipment & Plant to be depreciated by 20% & 10% respectively and Building to be appreciated by 15%.
4. Bills Payable were retired for ₹ 35,000.
5. All debtors are considered good.
6. Furniture of the book value ₹ 12,000 was taken over by Harish at 40% of the book value.

Prepare Revaluation A/c, Partner's Capital Account and Balance Sheet of the new firm.

Q.5 Pannalal and Hairalal are in partnership sharing profits and losses in the proportion of 3/4 and 1/4 respectively. Their Balance Sheet as on 31st March, 2017 was as under:

Balance Sheet as on 31st March, 2017

Liabilities	Amt (₹)	Assets	Amt (₹)
General Reserve	84,000	Land and Building	3,30,000
Sundry Creditors	50,000	Debtors	35,000
Bills Payable	15,000	Bills Receivable	45,000
Capital A/c:		Stock	80,000
Pannalal	3,40,000	Furniture	1,10,000
Hiralal	2,26,000	Bank Balance	1,15,000
	7,15,000		7,15,000

On 1st April 2017, they decided to admit Sunderlal on the following terms:

- 1) He should be given 1/5th share in profits and for that he should bring in ₹ 1,20,000 by cheque as capital and ₹ 40,000 as goodwill.
- 2) Depreciate Furniture and Stock by 12 1/2 % and 10% respectively and create 5% R.D.D. on Debtors.
- 3) Appreciate Land and Building by 20%.
- 4) Capital of all the partners should be adjusted in their profit sharing proportion, through their loan accounts.

You are required to prepare: (a) Profit and Loss Adjustment A/c (b) Partners' Capital A/cs (c) Opening Balance Sheet of the New Firm. (10)



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(a) added (b) deducted (c) divided (d) ignored
 - The proportion in which old partners make a sacrifice is called sacrifice ratio.
(a) capital (b) gaining (c) sacrifice (d) new
 - Goodwill is an intangible asset.
(a) Goodwill (b) Stock (c) Building (d) Cash

Q.2

**In the books of Mrs. Shailaja
Statement of Affairs**

Liabilities	1-4-12 (₹)	31-3-13 (₹)	Assets	1-4-12 (₹)	31-3-13 (₹)
Bank Overdraft	-	10,000	Furniture	9,000	19,000
Bills Payable	5,000	8,000	Investments	-	12,000
Creditors	26,500	31,500	Debtors	35,000	50,000
Capital (Balancing Figure)	45,500	78,500	Stock in Trade	15,000	19,000
			Bank Balance	18,000	28,000
	77,000	1,28,000		77,000	1,28,000

Statement of Profit or Loss for the year ended 31st March, 2013

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the accounting year 2012-13		78,500
Add: Drawings made during the accounting year 2012-13		4,000
		82,500
Less: Additional capital introduced during the accounting year 2012-13		15,000
Adjusted Capital:		67,500
Less: Capital at the beginning of the accounting year 2012-13		45,500
Trading Profit/Profit before adjustments:		22,000
Less: 1) Depreciation on Furniture	1,400	
2) Bad debts written off during accounting year 2012-13	1,000	
3) R.D.D. on debtors	2,450	4,850
Net Profit earned during the accounting year 2012-13		17,150

Working Notes:

- 1) To Calculate depreciation on furniture

$$\begin{array}{c}
 19,000 \\
 \swarrow \quad \searrow \\
 9,000 \quad 10,000 \\
 \\
 = \frac{10}{100} \times 9,000 \quad = \frac{10}{100} \times 10,000 \times \frac{6}{12} \\
 = 900 \quad = 500 \\
 = 1400
 \end{array}$$

2) To Calculate R.D.D.

$$\frac{50,000}{1000} = \frac{5}{100} \times 49,000$$

$$\frac{49,000}{100} = 2450$$

**Q.3 In the books of Mrs. Meena of Bilaspur
Statement of Affairs**

Liabilities	31-3-12 (₹)	31-3-13 (₹)	Assets	31-3-12 (₹)	31-3-13 (₹)
Creditors	18,000	20,000	Machinery	50,000	50,000
Outstanding Expenses	1,500	-	Furniture	50,000	30,000
Capital Funds (Balancing Figure)	1,56,500	1,67,500	Debtors	18,000	25,000
			Stock	30,000	42,000
			Prepaid Expenses	-	500
			Cash at Bank	28,000	40,000
	1,76,000	1,87,500		1,76,000	1,87,500

Statement of Profit or Loss for the year ended 31st March, 2013

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the accounting year 2012-13		1,67,500
Add: Drawings made during the year 2012-13		3,000
		1,70,500
Less: Additional capital introduced during the year 2012-13		10,000
Adjusted Capital:		1,60,500
Less: Capital at the beginning of the accounting year 2012-13		1,56,500
Trading Profit / Profit before adjustments:		4,000
Add: Interest on drawings		75
		4,075
Less: (1) Depreciation on Machinery	2,500	
(2) R.D.D.	500	
(3) Interest on Capital	8,075	11,075
Net Loss incurred during the year 2012-13:		7,000

Working Note:

(1) To Calculate interest on drawings:

$$\frac{5}{100} \times 3000 \times \frac{6}{12} = \frac{150}{2} = 75$$

(2) To calculate New R.D.D.

$$\frac{2}{100} \times 25,000 = 500$$

(3) To Calculate depreciation on Machinery

$$\frac{5}{100} \times 50,000 = 2500$$

(4) To Calculate interest on capital

$$\text{Opening } \frac{5}{100} \times 1,56,500 = 7,825$$

$$\begin{aligned} \text{Further introduced } & \frac{5}{100} \times 10,000 = \frac{6}{12} = \frac{500}{2} = 250 \\ & = 7825 + 250 \\ & = 8075 \end{aligned}$$

Q.4 In the books of Partnership Firm

Dr. Revaluation Account			Cr.		
Particulars	Amt. (₹)	Amt. (₹)	Particulars	Amt. (₹)	Amt. (₹)
To Equipment A/c (Dep.)		2,400	By Building A/c (Appr.)		18,000
To Plant A/c (Dep.)		8,500	By Bills Payable A/c (Rebate earned)		11,000
To Furniture A/c (Loss)		7,200	By R.D.D. A/c (Cancelled)		6,000
To Partners' Capital A/cs:					
Harish	8,450				
Girish	8,450	16,900			
		35,000			35,000

Dr. Partners' Capital Accounts				Cr.			
Particulars	Harish (₹)	Girish (₹)	Shirish (₹)	Particulars	Harish (₹)	Girish (₹)	Shirish (₹)
To Furniture A/c (Taken over)	4,800	-	-	By Balance b/d	1,00,000	1,40,000	-
To Goodwill A/c (Written off)	30,000	30,000	30,000	By Profit & Loss A/c	8,000	8,000	-
To Balance c/d	1,26,650	1,71,450	1,70,000	By Cash A/c	-	-	2,00,000
				By Goodwill A/c	45,000	45,000	-
				By Revaluation A/c (Profit)	8,450	8,450	-
	1,61,450	2,01,450	2,00,000		1,61,450	2,01,450	2,00,000

Dr. Cash Accounts		Cr.	
Particulars	₹	Particulars	₹
To balance b/d	37,000	By Bills payable	35,000
To Shirish Capital	2,00,000	By Balance c/d	2,02,000
	2,37,000		2,37,000

Dr. Goodwill Accounts		Cr.	
Particulars	₹	Particulars	₹
To Harish Capital	45,000	By Harish Capital	30,000
To Girish Capital	45,000	By Girish Capital	30,000
		By Shirish Capital	30,000
	2,37,000		2,37,000

Balance Sheet on 1st April, 2013

Liabilities	Amt. (₹)	Amt. (₹)	Assets	Amt. (₹)	Amt. (₹)
Partners Capital A/c			Buildings	1,20,000	
Harish	1,26,650		Add: Appreciation @ 15%	18,000	1,38,000
Girish	1,71,450		Plant	85,000	
Shirish	1,70,000	4,68,100	Less: Depreciation @ 10%	8,500	76,500
Crediotrs		38,000	Equipment	12,000	
Bill Payable	46,000		Less: Depreciation @ 20%	2,400	9,600
Less: Retired	11,000		Furniture	25,000	
	35,000		Less: Furniture taken over	12,000	13,000
Less: Cash paid	35,000	----	Debtors		46,000
			Stock		21,000
			Cash in Hand		2,02,000
			(37,000 + 2,00,000 – 35,000)		
		5,06,100			5,06,100

Working Note	Harish	Girish	Shirish
Old Ratio	$\frac{1}{2}$	$\frac{1}{2}$	
New Ratio	$\frac{2}{6}$ ($\frac{1}{3}$)	$\frac{2}{6}$ ($\frac{1}{3}$)	$\frac{1}{3}$
Sacrifice Ratio	2 : 3		

Q.5. In the books of Firm

Dr. Revaluation Account Cr.

Particulars	Amt.(₹)	Amt.(₹)	Particulars	Amt.(₹)	Amt.(₹)
To Furniture		13,750	By Land & Buiulding		66,000
To Stock		8,000			
To R.D.D.		1,750			
To Revaluation Profit A/c					
Pannala	31,875				
Hiralal	10,625	42,500			
		66,000			66,000

Dr. Partners' Capital Accounts Cr.

Particulars	Pannala (₹)	Hiralal (₹)	Sunderlal (₹)	Particulars	Pannala (₹)	Hiralal (₹)	Sunderlal (₹)
To Balance c/d	3,60,000	1,20,000	1,20,000	By Balance b/d	3,40,000	2,26,000	----
To Loan A/c	1,04,875	1,47,625	----	By General Reserve	53,000	21,000	----
				By Bank A/c	----	----	1,20,000
				By Goodwill A/c	30,000	10,000	----
				By Revaluation A/c	31,875	10,625	----
	4,64,875	2,67,625	1,20,000		4,64,875	2,67,625	1,20,000

Dr. Cash Accounts Cr.

Particluars	₹	Particulars	₹
To balance b/d	1,15,000	By Balance c/d	2,75,000
To Sunderlal Capital A/c	1,20,000		
To Goodwill A/c	40,000		
	2,75,000		2,75,000

Dr.		Goodwill Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Harish Capital	45,000	By Harish Capital	30,000		
To Girish Capital	45,000	By Girish Capital	30,000		
		By Shirish Capital	30,000		
	2,37,000		2,37,000		

Balance Sheet on 31st March 2017

Liabilities	Amt. (₹)	Amt. (₹)	Assets	Amt. (₹)	Amt. (₹)
Partners Capital A/c			Land & Building	3,30,000	
Pannala	3,60,000		Add: 20% Appreciation	66,000	3,96,000
Hiralal	1,20,000		Debtor	35,000	
Sunderlal	1,20,000	6,00,000	Less: 5% R.D.D.	1,750	33,250
Sundry Creditors		50,000	Bills Receivable		45,000
Bills Payable		15,000	Stock	80,000	
Loan A/c			Less: Written off	8,000	72,000
Pannala	1,04,875		Furniture	1,10,000	
Hiralal	1,47,625	2,52,500	Less: 12 ½ % Depreciation	13,750	96,250
			Bank Balance		2,75,000
		9,17,500			9,17,500

Working Note 1 :- To find capital in new ratio

For	Value
1/5	1,20,000
1	?

$$= 1,20,000 \div \frac{1}{5} = 1,20,000 \times 5$$

$$= ₹ 6,00,000$$

↓	↓	↓
Pannala	Hiralal	Sunderlal
$= \frac{12}{20} \times 6,00,000$	$= \frac{4}{20} \times 6,00,000$	$= ₹ 1,20,000$
$= ₹ 3,60,000$	$= ₹ 1,20,000$	

Working Note 2:- To find the ratios

	Pannala	Hiralal	Sunderlal
Old Ratio	$\frac{3}{4}$	$\frac{1}{4}$	
New Ratio	12/20	4/20	1/5 (4/20)
Sacrifice Ratio	3 : 1		
