

Part A

58

ans: 1

OPSR → X : Y : Z → (R)

1 : 1 : 1

NPSR → X : Y : Z

1 : 2

Gaining Ratio

$$X's \text{ gain} = \frac{1}{3} - \frac{1}{3} = 0$$

$$Y's \text{ gain} = \frac{2}{3} - \frac{1}{3} = \frac{1}{3}$$

only Y gain

ans: 2

The Accountant is not recorded the entry correctly as it is not in accordance with As-26 in which requires that goodwill should be recorded in books only when brought in cash.

No, he was not recorded the correct entry, as goodwill is debited while he is unable to bring it. Therefore the correct entry should be :-
Rajrat's Investment A/c Dr
To some fixing partner's capital A/c Cr

Debit

Yes, because it is charge against profit i.e, has to be paid in perspective of profits in firm.

Ans: 3

Ans: 4

Authorised capital.

Ans: 5

outsider's liabilities are to be paid first at the time of dissolution.

Ans: 6

Total amount on final call = Received + call in arrears

Total amount = Received + call in arrears

₹80,00,000 = Received + 62,500

₹17,37,500 = Received

80,000 - 17,500

= 2500 shares

Final call per share = ₹62,500

2500

₹25 per share

Capital
has
on 3

Ques: 7

together with principal

When debentures are issued as ~~collateral~~ security for loan taken it is repaid as issue of debentures as collateral.

In this case the entry passed is →

$\frac{2}{3}$

Debenture suspense A/c
To % debentures A/c

Dr X

X

Also, this amount is deducted from debentures while preparing 2nd Method.

Ques: 8

JOURNAL

- Value : → helps in generating employment opportunity
→ can we see you ~~see~~ society
→ balanced regional development

JOURNAL

Date	Particulars	Dr	Cr
	Profit and loss Appropriation A/c		4,25,000
	To Nelam's capital A/c		2,12,500
	To Ranjana's capital A/c		2,12,500
	(Being profit distributed to Nelam & Ranjana)		

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
31 March 14	To balance c/d	2,05,000	31 Oct 14	By balance loan A/c	2,00,000
			31 March 14	By interest on loan A/c	5,000
		<u>2,05,000</u>			<u>2,05,000</u>

3/3

Ques: 10

issued → 50,000 equity shares @ ₹10 + 2%

Application + Amount + First call + Second call

2 5 (3+2) 2 3

SOLN: 10

JOURNAL

Date	Particulars	Dr	Cr	IF Amount (₹)	Dr Amt (₹)	Cr.
	800 shares allotted					
	To share capital A/c (800 x 10)		8000			
	To share forfeited A/c			4,000		
	To share first call A/c (800 x 2)			1,600		
	To share second call A/c (800 x 3)			2,400		
	(Being 800 shares forfeited)					
	Share capital A/c (800 x 7)		5,600			
	Share premium A/c (800 x 2)		1,600			
	To share forfeited A/c			1,600		
	To share allotment A/c (800 x 5)			4,000		
	To share first call A/c (800 x 2)			1,600		
	(Being 800 shares forfeited)					

① 3 months

Ques: 12

A B C
1 : 1 : 1

WN-I

Interest on capital

$$A = ₹40,000 \times \frac{6}{100} \times \frac{3}{12} = ₹6,000$$

WN-II

$$\text{Goodwill} = ₹12,000$$

B ₹6,000
C ₹6,000

WN-III

$$\text{Profit} = ₹64,000$$

$$A's \text{ share} = ₹64,000 \times \frac{1}{3} \times \frac{3}{12} = ₹5,333$$

* A's executor's A/c
 To Bank A/c
 To A's loan A/c
 - (Being amt transferred)

Dr 63,933

20,000
 43,933

[SOLN:-]

JOURNAL

DATE	Particulars	Dr	Cr	Amount (₹) Dr	Amount (₹) Cr
	Interest on capital A/c To A's current A/c (Being amt interest charged)	Dr		600	600 ✓
	B's current A/c C's current A/c To A's current A/c (Being goodwill share transferred)	Dr	Dr	6,000 6,000	12,000
	Profit and loss suspense A/c To A's current A/c (Being profit transferred)	Dr		5,333	5,333 ✓
	Reserve A/c To A's current A/c (Being reserve transferred)	Dr		6,000	6,000
	A's current A/c A's capital A/c To A's executor's A/c (Being amt paid to executor's)	Dr	Dr	23,933 40,000	63,933 ✓

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Dr Particulars
 A/c
 Amt (£)

~~By balance b/d 40,000
 By Interest on capital A/c 600
 By B's capital A/c 6,000
 By C's capital A/c 6,000
 By Profit and loss suspense A/c 5,333~~

Dr Particulars
 A/c
 Amt (£)

~~By Interest on capital A/c 600
 By B's current A/c 6,000
 By C's current A/c 6,000
 By Profit and loss suspense A/c 5,333
 By General Reserve A/c 6,000~~

23,933

Dr Particulars
 A/c
 Amt (£)

~~By balance b/d 40,000
 By A's current A/c 23,933~~

40,000

63,933

or Particulars
 To Bank A/c
 To A's Loan A/c

Amount (£)
 20,000
 43,933
63,933

A's Current A/c
 Particulars
 By A's Current A/c
 By A's Capital A/c

Amount (£)
 23,933
 40,000
63,933

P : 0
 14 : 5

→ R
 R
 6

only P gains

$$P's \text{ gain} = \frac{14}{25} \times \frac{5}{25} = \frac{14}{25}$$

NPSR

P's new share = $\frac{14}{25} + \frac{5}{25} = \frac{19}{25}$

R's share = $\frac{6}{25}$

NPSR

→ P : 19
 R : 6

19 : 6

Goodwill

Profit = £1,00,000 + £1,10,000 + £1,20,000
 = £3,30,000

Average Profit = £1,10,000

Super Profit = Average Profit - Normal Profit
 = £1,10,000 - (£60,000)
 = £50,000

Goodwill = £50,000 × 2 = £1,00,000

D's share = £1,00,000 × $\frac{5}{25}$ = £20,000

Goodwill in books = £1,50,000

£84,000 + £30,000 = £1,14,000

Profit after Retirement = £2,00,000

£1,52,000 + £48,000 = £2,00,000

[SOLN: 9]

JOURNAL

Date	Particulars	Dr	Cr	Dr	Cr
	Particulars				
	P's capital A/c				
	To Q's capital A/c			20,000	
	(Being goodwill share transferred)				20,000
	P's P's capital A/c				
	Q's capital A/c			84,000	
	R's capital A/c			30,000	
	To Goodwill A/c			36,000	
	(Being goodwill written off)				1,50,000
	Profit and loss appropriation A/c				
	To P's capital A/c			2,00,000	
	To R's capital A/c				1,52,000
	(Being profit transferred to remaining partners in NPSR)				48,000

$\frac{3}{3}$

ans: 13(B)

A : B
8 : 7
C : 5

D → 1/4

$$A's \text{ sacrifice} = \frac{8}{20} \times \frac{1}{4} = \boxed{\frac{2}{20}}$$

$$A's \text{ new share} = \frac{8}{20} - \frac{2}{20} = \boxed{\frac{6}{20}} \times 5$$

$$\text{Remaining share} = 1 - \frac{1}{4} - \frac{6}{20} = \boxed{\frac{9}{20}}$$

$$= \boxed{\frac{30}{100}}$$

$$B's \text{ new share} = \frac{9}{20} \times \frac{3}{5} = \boxed{\frac{27}{100}}$$

$$C's \text{ new share} = \frac{9}{20} \times \frac{2}{5} = \boxed{\frac{18}{100}}$$

$$D's \text{ new share} = \frac{1}{4} \times \frac{25}{100} = \boxed{\frac{25}{100}}$$

NPSR -
A : B : C : D
30 : 27 : 18 : 25

$$A's \text{ sacrifice} = \frac{2 \times 5 = \sqrt{10}}{20 \times 5 = \sqrt{100}} \quad B's \text{ sacrifice} = \frac{8 \times 7 - 27}{20 \times 100} = \boxed{\frac{8}{100}}$$

$$C's \text{ sacrifice} = \frac{5 - 18}{20 \times 100} = \boxed{\frac{7}{100}}$$

SR →

A : B : C
10 : 8 : 7

1 Dec 14

JOURNAL

10:14:15

Date Particulars

Incorporating expenses A/c
To Underwriting commission A/c
(Being 15% of deb @ £10)

Dr Amt (£) Dr
6,00,000

Cr Amt (£) Cr.
6,00,000

Underwriting commission A/c
To Underwriters A/c
(Being underwriting commission due)

Dr 1,50,000

Cr 1,50,000

Underwriters A/c
To 15% debentures A/c
(Being 15000, 15% deb @ £10/deb)

Dr 1,50,000

Cr 1,50,000

000,000

Dr

Dr

Cr

Journal (ii)

Issued → 30,000, 10% debentures @ ₹100

JOURNAL

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Date	Particulars	Dr	Cr
1 st April 14	Bank A/c To debenture application & allotment A/c (Being issued debentures)	30,00,000	30,00,000
	Debenture application & allotment A/c TO 10% debentures A/c (Being amt on debentures made due)		30,00,000
30 th Sept 14	Interest on debentures A/c TO 10% debentures A/c <i>Debentureholder</i> (Being interest on debentures made due)	1,50,000	1,50,000
31 st March 14	Interest on debentures A/c TO 10% debentures A/c <i>Bank A/c</i> (Being interest on debentures made due)	1,50,000	1,50,000
31 st March 15	Profit and loss A/c TO Interest on debentures A/c (Being interest on debentures paid)	3,00,000	3,00,000