

PARTNERSHIP

Ques:-1.

Soln:-

Profit & Loss Appropriation A/c.
for the year ending 31st Dec. 20x3.

Dr.

Particulars.	Amount (in ₹)	Particulars.	Amount (in ₹)
To X's capital A/c. (Interest on capital)	12,500	By Profit & Loss A/c. (Profit)	20,000
To Y's capital A/c. (Salary)	7,500		
	<u>20,000</u>		<u>20,000</u>

Workings:-

$$\text{Int. on capital } X = 5,00,000 \times \frac{8}{100} = ₹40,000.$$

$$\text{Salary } Y = ₹24,000$$

$$\underline{\underline{₹64,000}}$$

When Appropriation.

$$\text{For X Int. on Cap.} = 20,000 \times \frac{40,000}{64,000} = ₹12,500.$$

$$\text{For Y Salary} = 20,000 \times \frac{24,000}{64,000} = ₹7,500.$$

* If charge against profit is given:-

Profit & Loss A/c.				Cr.
To X's capital A/c. (Int. on capital)	40,000	By Profits		20,000
To Y's capital A/c. (Salary)	24,000	By Losses transferred:-		
		X	26,400	
		Y	17,600	
	<u>64,000</u>		<u>44,000</u>	<u>64,000</u>

Ques:-2.

Statement showing calculation of opening capital.

	X	Y	Z
Closing balance of capital.	24,000	18,000	12,000.
Add Drawings.	6,000	4,500	2,700
	30,000	22,500	14,700
Less Profit credited.	18,000	12,000	6,000
Opening balance of capital.	12,000	10,500	8,700.
Interest on capital.	₹ 600	₹ 525	₹ 435.

Dr.		Profit & Loss Adjustment A/c		Cr.	
Particulars	Amount (in ₹)	Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To Interest on capital.		By Losses transferred			
X	600	X	780		
Y	525	Y	520		
Z	435	Z	260		
	<u>1,560.</u>		<u>1,560</u>		<u>1,560</u>
	<u>1,560</u>				<u>1,560.</u>

Soln:-

Statement showing Adjustment.

Particulars	X		Y		Z	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Interest on Capital		600		525		435.
Losses transfer	780		520		260.	
	180			5		175
	(Dr.)			(Cr.)		(Cr.)

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Particulars	L F	Amount (in ₹)	
		Dr.	Cr.
X's capital A/c ————— Dr.		180	
To Y's capital A/c			5
To Z's capital A/c.			175.
(Being adjustment entry for omission of int. on capital passed.)			

Ques:-3.

Soln:-

Statement showing Adjustment

Partners	20X1			20X2			Adjustment
	Dr.	Cr.	Adjust.	Dr.	Cr.	Adj.	
A	1,500	1,800	300 (Cr.)	1,500	1,440	60 (Dr.)	240 (Cr.)
B	1,200	1,080	120 (Dr.)	1,200	1,440	240 (Cr.)	120 (Cr.)
C	900	720	180 (Dr.)	900	720	180 (Dr.)	360 (Dr.)
	<u>3,600</u>			<u>3,600</u>			

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Date	Particulars	L F	Amount (in ₹)		
			Dr.	Cr.	
	C's current A/c _____		360		
	To A's current A/c			240	
	To B's current A/c			120	
	(Being adjustment entry for wrong Int. on capital provided.)				

Ques:-4.

Soln:-

Average profit = ₹ 2,00,000

Capital employed =

Total Assets 22,00,000

Less Total Liabilities 5,60,000

16,40,000

Normal profit

$$= \frac{16,40,000 \times 10}{100}$$

$$= ₹ 1,64,000$$

Super profit =

Average profit 2,00,000

Less Normal profit 1,64,000

36,000

$$\text{Goodwill} = \text{Super profit} \times \frac{100}{\text{Rate}}$$

$$= 36,000 \times \frac{100}{10}$$

$$= ₹ 3,60,000$$

Ques:-5.

$X:Y:Z$
 $5:3:2$

$X:Y:Z$
 $2:5:3$

SR →

$$X = \frac{5}{10} - \frac{2}{10} = \frac{3}{10}$$

$$Y = \frac{3}{10} - \frac{5}{10} = \frac{-2}{10}$$

$$Z = \frac{2}{10} - \frac{3}{10} = \frac{-1}{10}$$

Revaluation A/c			
To Stock	3,000	By Land	30,000
To Profit Inv.	27,400	By Crs.	400

Goodwill	52,600
Revaluation (P)	27,400
General Reserve	24,000
P&L A/c (Dr.)	(4,000)
	<u>1,00,000</u>

For X = $\frac{3}{10} \times 1,00,000 = ₹30,000$

Y = $\frac{-2}{10} \times 1,00,000 = ₹20,000$ (Dr.)

Z = $\frac{-1}{10} \times 1,00,000 = ₹10,000$ (Dr.)

Soln:-

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Particular	L	F	Amount (in ₹)	Cr.
Y's capital A/c _____ Dr.			20,000	
Z's capital A/c _____ Dr.			10,000	
To X's capital A/c				30,000
(Being adjusting entry passed for Goodwill)				
(Reserves & Prof & Revaluation profits)				

Ques:-6.

$$X:Y$$

$$7:3$$

$$\therefore X's \text{ sacrifice} = \frac{1}{7}$$

$$Y's \text{ sacrifice} = \frac{3}{10} \times \frac{1}{3} = \frac{1}{10}$$

$$\begin{array}{l} SR \quad X:Y \\ \frac{1}{7} : \frac{1}{10} \\ 10:7 \end{array}$$

$$X's \text{ new share} = \frac{7}{10} - \frac{1}{7} = \frac{39}{70}$$

$$Y's \text{ new share} = \frac{3}{10} - \frac{1}{10} = \frac{2}{10} \times \frac{7}{7} = \frac{14}{70}$$

$$Z's \text{ share} = \frac{1}{7} + \frac{1}{10} = \frac{17}{70}$$

$$X:Y:Z$$

$$39:14:17$$

Ques:-7.

$$A:B$$

$$2:1$$

$$C \rightarrow \frac{1}{4} \text{ th}$$

$$\text{Firm's G/W} = ₹40,000$$

$$BV = ₹18,000$$

$$\begin{aligned} C's \text{ share} &= 40,000 \times \frac{1}{4} \\ &= ₹10,000 \end{aligned}$$

₹8,000
Premium

₹2,000
Revaluation
(1%)