

**Competency Based Questions**

**Subject : Accountancy Class: XII**

**Topic: Partnership**

1. X and Y are partners in the ratio of 3 : 2. Their capitals are ₹2,00,000 and ₹1,00,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm earned a profit of ₹15,000 for the year ended 31st March 2019. Interest on Capital will be :  
   (A) X ₹16,000; Y ₹8,000  
   (B) X ₹9,000; Y ₹6,000  
   (C) X ₹10,000; Y ₹5,000  
   (D) No Interest will be allowed
2. X and Y are partners in the ratio of 3 : 2. Their capitals are ?2,00,000 and ₹1,00,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm incurred a loss of ₹60,000 for the year ended 31st March 2019. Interest on Capital will be :  
   (A) X ₹16,000; Y ₹8,000  
   (B) A ₹8,000; Y ₹4,000  
   (C) X ₹14,400; Y ₹9,600  
   (D) No Interest will be allowed
3. X and Y are partners in the ratio of 3 : 2. Their capitals are ₹2,00,000 and ₹1,00,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm earned a profit of ₹15,000 for the year ended 31st March 2019. As per partnership agreement, interest on capital is treated a charge on profits. Interest on Capital will be :  
   (A) X ₹16,000; Y ₹8,000  
   (B) X ₹9,000; Y ₹6,000  
   (C) X ₹10,000; Y ₹5,000  
   (D) No Interest will be allowed
4. A and B contribute ₹1,00,000 and ?₹60,000 respectively in a partnership firm by way of capital on which they agree to allow interest @ 8% p.a. Their profit or loss sharing ratio is 3 : 2. The profit at the end of the year was ₹2,800 before allowing interest on capital. If there is a clear agreement that interest on capital will be paid even in case of loss, then S’s share will be:  
   (A) Profit ₹6,000  
   (B) Profit ₹4,000  
   (C) Loss ₹6,000  
   (D) Loss ₹4,000
5. Premium brought by newly admitted partner should be:
6. Credited to sacrificing partners
7. Credited to all partners in the new profit sharing ratio
8. Credited to old partners in the old profit sharing ratio
9. Credited to only gaining partners
10. Sacrificing ratio is calculated because:
11. Profit shown by Revaluation Account can be credited to sacrificing partners
12. Goodwill brought in by the incoming partner can be credited to the new partner
13. Goodwill brought in by the incoming partner can be credited to the sacrificing partners
14. Both a and c
15. Aryaman and Bholu are partners sharing profit and losses in ratio of 5:3. Chirag is admitted for 1/4th share. On the date of reconstitution, the debtors stood at Rs 40,000, bill receivable stood at Rs. 10,000 and the provision for doubtful debts appeared at Rs. 4000. A bill receivable, of Rs 10,000 which was discounted from the bank, earlier has been reported to be dishonored. The firm has sold the debtor so arising to a debt collection agency at a loss of 40%. If bad debts now have arisen for Rs 6,000 and firm decides to maintain provisions at same rate as before then amount of Provision to be debited to Revaluation Account would be:
16. Rs 4,400
17. Rs 4,000
18. Rs.3,400
19. None of the above
20. Match the following:

|  |  |  |  |
| --- | --- | --- | --- |
| i. | Sacrificing Ratio | A | Nominal Account |
| ii. | Gaining Ratio | B | Reconstitution of Partnership |
| iii. | Revaluation Account | C | New Ratio – Old Ratio |
| iv. | Admission of a Partner | D | Old Ratio – New Ratio |

1. i- B, ii-C, iii-A, iv-D
2. i- D, ii-B, iii-A, iv-C
3. i- D, ii-C, iii-A, iv-B
4. i- D, ii-C, iii-B, iv-A
5. Match the following with respect to journal entries for treatment of goodwill.

|  |  |  |  |
| --- | --- | --- | --- |
| i. | Incoming partner brings his share of goodwill | A | No Entry |
| ii. | Incoming partner does not bring his share of goodwill | B | Premium for Goodwill A/c Dr.  Incoming Partner’s Capital A/c Dr.  To Sacrificing Partners Capital A/c |
| iii. | Incoming partner pays his share of goodwill privately | C | Premium for Goodwill A/c Dr.  To Sacrificing Partners Capital A/c |
| iv. | Incoming partner brings only a part of his share of goodwill | D | Incoming Partner’s Capital A/c Dr.  To Sacrificing Partners Capital A/c |

1. i- B, ii-C, iii-A, iv-D
2. i- C, ii-D, iii-A, iv-B
3. i- D, ii-C, iii-A, iv-B
4. i-D, ii-C, iii-B, iv-A
5. At the time of dissolution of firm,’ loan of partners’(loans given by partners to the firm) is paid out of the amount realized on sale of assets:
6. After making the payment of loans given by third party
7. After making payment of balance of Capital Accounts of partners
8. After making the payment of above (a) and (b)
9. Before the payment of loans given by third party
10. Investments valued Rs 2,00,000 were not shown in the books. One of the creditors took over these investments in full satisfaction of his debt of Rs 2,20,000.How much amount will be deducted from creditors?
11. 20,000 (b) 2,20,000 (c) 4,20,000 (d) 2,00,000
12. If opening capitals of partners are A Rs 3,00,000, B Rs 2,00,000 and C Rs 1,00,000 and their drawings during the year are A Rs 50,000, B Rs 40,000 and C Rs 30,000 and creditors are Rs 60,000, what will be the amount of assets of the firm?
13. Rs 5,40,000 (b) Rs 4,20,000 (c) Rs 4,80,000 (d) Rs 6,60,000
14. A portion of share capital that is reserved by the company and will be utilized only on the happening of winding up of the company is called \_\_\_\_\_\_\_\_.
15. If 400 shares of Rs. 10 issued at a premium of Rs. 3 on which the full amount has been called and Rs. 8 (including premium) have been received are forfeited, the forfeiture account should be credited with:
16. Rs. 3,200
17. Rs. 2,000
18. Rs. 1,200
19. Rs. 2,800
20. At the time of forfeiture of shares, the Share Capital Account is debited with:
21. Face Value
22. Called up value
23. Paid up value
24. Issued Value
25. E,F and G were partners sharing profits in the ratio of 3:3:2. According to the partnership agreement, G is to get a minimum amount of Rs. 80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for thr year ended 31st March 2021 amounted to Rs. 3,12,000. Calculate the deficiency to be borne by E.
26. Rs. 1,000 (b) Rs. 4,000

( c) Rs. 8,000 (d) Rs. 2,000

1. At the time of admission of a partner, what will be the effect of the following information? Balance of Workmen Compensation Reserve Rs. 40,000. Claim for Workmen Compensation Rs. 45,000.
2. Rs. 45,000 debited to Partner’s Capital Accounts
3. Rs. 40,000 debited to Revaluation Account.
4. Rs. 5,000 debited to Revaluation Account.
5. Rs. 5,000 credited to Revaluation Account.
6. If the average capital employed in a firm is Rs. 8,00,000, average of actual profits is Rs. 1.80,000 and normal rate of return is 10%, then the value of goodwill as per capitalization of average profit is:
7. Rs. 10,00,000
8. Rs. 18,00,000
9. Rs. 80,00,000
10. Rs. 78,20,000
11. Sarvesh, Sriniketan and Srinivas are partners in the ratio 5:3:2. If Sriniketan’s share of profit at the end of the year amounted to Rs. 1,50,000, what will be Sarvesh’s share of profits?
12. Rs. 5,00,000
13. Rs. 1,50,000
14. Rs. 3,00,000
15. Rs. 2,50,000

# A and B were partners from 1st April , 2016 with capitals of Rs. 60,000 and Rs. 40,000 respectively . They shared profits in the ratio of 3:2 . They carried on business for two years . In the first year ended 31st March 2017 , they earned a profit of Rs. 50,000 but in the second year ended 31st March , 2018 , a loss of Rs. 20 , 000 was incurred . As the business was no longer profitable , they dissolved the firm on 31st March , 2018 . Creditors on that date were Rs. 20,000 . The partners withdrew for personal use Rs. 8,000 per partner per year . The assets realised Rs. 1,00,000 . The expenses of realisation were Rs. 3,000. Prepare Realisation Account. Show working notes.

**Chapter: Issue of Shares**

* + - 1. New industries Ltd invited application for 1,00,000 shares of Rs 10 each at a premium of Rs 5 per share, payable as follows:

On application Rs 4.50 per share; On allotment Rs 7.50 (including premium); On 1st call Rs 2 and on final call Rs 1 per share.

Application were received for 1, 25,000 shares and allotment was made pro rata to the applicant of 1, 20,000 shares. The remaining applications being refused. Excess money received on application was adjusted towards amount due on allotment.

D , to whom 2,000 shares were allotted, failed to pay allotment money and on his failure to pay the first call, his shares were forfeited. M, the holder of 3,000shares, failed to pay the two calls and his shares were also forfeited. All these shares were sold to R as fully paid for Rs 8 per share. Pass journal entries in the books of the Company.

* + - 1. Madhur Ltd took over the assets of Rs 3,90,000 and Liabilities of Rs 40,000 of Ruchi Ltd for a consideration of Rs 4,00,000. 20% was paid by a cheque and the balance by issue of fully paid equity shares of Rs 100 each at a premium of 60%. Show necessary journal entries for these transactions in the books of Madhur Ltd.
      2. 3. Y Ltd forfeited 400 shares of Rs 100 each, issued at a premium of Rs 5 per share ( to be paid at the time of allotment) for non payment of first call of Rs 20 per share. The second and final call of Rs 20 has not yet been called. Out of these,100 shares were reissued on fully paid up for Rs 110 per share. Pass journal entries.
      3. Z Ltd forfeited 700 shares of Rs 100 each , issued at a premium of Rs 5 per share for non payment of allotment money of Rs 35 per share(including premium) and first call of Rs 20 per share. The second and final call of Rs 20 has not yet been called. 500 of these shares were reissued as Rs 80 paid up for Rs 92 per share. Pass journal entries.

5. X Ltd invited application for issuing 1, 00,000 equity shares of Rs 10 each. Te shares were issued at a premium of 60%. The amount was payable as follows:

On Application and allotment : Rs 6 per share(including premium Rs 4)

On first and Final call: Balance including premium

Application for 1, 90,000 shares were received. The allotment was made as follows:

Category A: Application for 10,000 shares were rejected.

Category B: Application for 1, 00,000 shares were allotted 50,000 shares.

Category C: Application for 80,000 shares was allotted 50,000 shares.

Excess money received on application and allotment was adjusted towards sum due on first and final call.

Ali, who belonged to category B, and had applied for 1,000 shares, paid the entire amount of his share money with application.

Bali , who belonged to category C, was allotted 1,000share,failed to pay the first and final call money. His shares were forfeited and reissued at Rs15 per share fully paid up.

Pass the necessary journal entries for the above transaction in the books of X Ltd.

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