Q1. State the 'liability of a partner' in a partnership firm. **1 Marks**

Q2. What is meant by Partnership deed? **1 Marks**

Q3. Can a partner be exempted from sharing the losses in a firm? If yes, under what circumstances? **1 Marks**

Q4. State the meaning of sacrificing ratio. **1 Marks**

Q5. What is a super group? **1 Marks**

Q6. Why should a firm have a partnership deed? **1 Marks**

Q7. P and Q were partners in a firm sharing profits and losses equally. Their fixed capitals were ₹ 2,00,000 and ₹ 3,00,000 respectively. The partnership deed provided for interest on capital @ 12% per annum. For the year ended 31st March, 2016, the profits of the firm were distributed without providing interest on capital.
Pass necessary adjustment entry to rectify the error. **1 Marks**

Q8. Distinguish between 'Dissolution of partnership' and 'Dissolution of partnership firm' on the basis of settlement of assets and liabilities. **1 Marks**

Q9. Nusrat and Sonu were partners in a firm sharing profits in the ratio of 3 : 2. During the year ended 31-3-2015 Nusrat had withdrawn 15,000. Interest on her drawings amounted to 300.
Pass necessary journal entry for charging interest on drawings assuming that the capitals of the partners were fixed. **1 Marks**

Q10. Nusrat and Sonu were partners in a firm sharing profits in the ratio of 3 : 2. During the year ended 31-3-2015 Nusrat had withdrawn ₹ 15,000. Interest on her drawings amounted to ₹ 300.
Pass necessary journal entry for charging interest on drawings assuming that the capitals of the partners were fixed. **1 Marks**

Q11. In the absence of partnership deed the profits of a firm are divided among the partners: **1 Marks**

A. In the ratio of capital.
B. Equally.
C. In the ratio of time devoted for the firm's business.
D. According to the managerial abilities of the partners.

Q12. State the two situations in which interest on partners' capital is generally provided. **1 Marks**

Q13. Chhavi and Neha were partners in a firm sharing profits and losses equally. Chhavi withdrew a fixed amount at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. At the end of the year, interest on Chhavi's drawings amounted to ₹ 900. Pass necessary journal entry for charging interest on drawings. **1 Marks**

Q14. How is Accounting data computed in a computerized accounting software? **1 Marks**

Q15. P and Q were partners in a firm sharing profits equally. Their fixed capitals were ₹ 1,00,000 and ₹ 50,000 respectively. The partnership deed provided for interest on capital at the rate of 10% per annum. For the year ended 31st march, 2016 the profits of the firm were distributed without providing interest on Capital. **1 Marks**
Pass necessary adjustment entry to rectify the error.

Q16. Give the meaning of 'Liability of Partnership' as a feature of partnership. **1 Marks**

Q17. If the partners' capitals are fixed, where will you record the interest charged on drawings? **1 Marks**

Q18. How is goodwill written off treated while calculating cash flow from operating activities? **1 Marks**

Q19. A partnership deed provides for the payment of interest on capital but there was a loss instead of profits during the year 2010 - 2011. At what rate will the interest on capital be allowed? **1 Marks**

Q20. Give the meaning of 'Reconstitution of a partnership firm'. **1 Marks**

Q21. What is the maximum number of partners that a partnership firm can have? Name the Act that provides for the maximum number of partners in a partnership firm. **1 Marks**

Q22. State the provisions of Indian Partnership Act regarding the payment of remuneration to a partner for the services rendered. **1 Marks**

Q23. The amount of interest on capital allowed to Abha will be: **1 Marks**

A. ₹ 50,000 B. ₹ 1,00,000 C. ₹ 60,000 D. ₹ 30,000

Q24. What is Normalisation? **1 Marks**

Q25. A group of 40 people wants to form a partnership firm. They want your advice regarding the maximum number of persons that can be there in a partnership firm and the name of the Act under whose provisions it is given. **1 Marks**

Q26. Give the average period in months for charging interest on drawings for the same amount withdrawn at the beginning of each quarter. **1 Marks**

Q27. Does partnership firm has a separate legal entity? Give reason in support of your answer. **1 Marks**

Q28. Suman and Sudha were partners in a firm sharing profits equally. Their fixed capitals were ₹ 50,000 and ₹ 25,000 respectively. The partnership deed provided interest on capital at the rate of 12% per annum. For the year ended 31st March, 2016, the profits of the firm were distributed without providing interest on capital. **1 Marks**
Pass necessary adjustment entry to rectify the error.

Q29. State two elements of the partnership deed. **1 Marks**

Q30. What is meant by 'Reconstitution of a Partnership Firm'? **1 Marks**

Q31. In case the partners' capitals are fixed, in which account will withdrawal of capital be recorded? **1 Marks**

Q32. Define goodwill **1 Marks**

Q33. "A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs. 18,000 per month. State with reasons whether the claim is valid or not.A **1 Marks**

Q34. How is interest on drawings calculated, if the drawings are made at regular intervals, as on the first day of each month? **1 Marks**

Q35. 'SJ' for sales journal and 'NDRS' for New Delhi railway station are the examples of which of the following? **1 Marks**

A. Block codes.
B. Mnemonic codes.
C. Sequential codes.
D. Accounting codes.

Q36. A sequential code refers to a code applied to some document where: **1 Marks**

A. Numbers and letters are assigned in consecutive order.
B. Where account heads are assigned to documents.
C. Special names are given to documents.
D. When documents are arranged in sequence of their names.

Q37. What is the purpose of normalization? **1 Marks**

Q38. How does the factor "location" affect the goodwill of a firm? **1 Marks**

Q39. How does the market situation affect the value of goodwill of a firm? **1 Marks**

Q40. Torn and Harry were partners in a firm sharing profits in the ratio of 5 : 3. During the year ended 31.3.2015 Torn had withdrawn ₹ 40,000. Interest on his drawings amounted to ₹ 2,000.
Pass necessary journal entry for charging interest on drawings assuming that the capitals of the partners were fluctuating. **1 Marks**

Q41. Dev withdrew ₹ 10,000 on 15th day of every month. Interest on drawings was to be charged @ 12% per annum. Calculate interest on Dev's drawings. **1 Marks**

Q42. Distinguish between 'Fixed Capital Account' and 'Fluctuating Capital Account' on the basis of credit balance. **1 Marks**

Q43. Name the Act that provides for the maximum number of partners in a partnership firm. What is the maximum number of partners that a partnership firm can have? **1 Marks**

Q44. State any two occasions when reconstitution of a partnership firm takes place. **1 Marks**

Q45. How does the nature of business affect the value of goodwill of a firm? **1 Marks**

Q46. In the absence of Partnership Deed, interest on loan of a partner is allowed: **1 Marks**

A. at 8% per annum.
B. at 6% per annum.
C. no interest is allowed.
D. at 12% per annum.

Q47. State any two occasions on which a firm can be reconstituted. **1 Marks**

Q48. What is meant by a 'Query'? **1 Marks**

Q49. List the categories of individuals other than the minors who cannot become the members of a partnership firm. **1 Marks**

Q50. Ram and Mohan are partners in a firm without any partnership deed. Their capitals are Ram Rs. 8,00,000 and Mohan Rs. 6,00,000. Ram is an active partner and looks after the business. Ram wants that profit should be shared in proportion of capitals. State with reason whether his claim is valid or not. **1 Marks**

Q51. What is meant by "Unlimited liability of a Partner"? **1 Marks**

Q52. Ritesh and Hitesh are childhood friends. Ritesh is a consultant whereas Hitesh is an architect. They contributed equal amounts and purchased a building for ₹ 2 crores. After a year, they sold it for ₹ 3 crores and shared the profits equally. Are they doing the business in partnership? Give reason in support of your answer. **1 Marks**

Q53. State the two situations under which interest on capital is generally provided. **1 Marks**

Q54. Vibha and Asha are partners in a firm. Asha withdrew ₹ 1,000 at the end of each quarter during the year ended 31st March, 2022. Interest on drawings will be calculated for an average period of: **1 Marks**

A. 6 months
B. $4\frac{1}{2}$ months
C. $7\frac{1}{2}$ months
D. $6\frac{1}{2}$ months

Q55. The goodwill of a firm is valued at 4 years' purchase of average profits of last five years. The profits of the last five years were: **3 Marks**

Year		Profit (₹)
2013 – 14	:	2,00,000
2014 – 15	:	3,00,000
2015 – 16	:	4,50,000 (including an abnormal gain of ₹ 50,000)
2016 – 17	:	3,50,000 (after charging an abnormal loss of ₹ 90,000)
2017 – 18	:	2,60,000

Calculate the amount of the goodwill.

Q56. Pran and Ron were partners in a firm with a combined capital of ₹ 3,00,000. The normal rate of return was 15%. The profits of the last four years were as follows: **3 Marks**

	₹
2019-20	50,000
2020-21	90,000
2021-22	80,000
2022-23	70,000

The closing stock for the year 2022 - 23 was undervalued by ₹ 10,000.
Calculate goodwill of the firm based on capitalisation of super profit.

Q57. On 1.4.2013, Brij and Nandan entered into partnership to construct toilets in government girls schools in the remote areas of Uttarakhand. They contributed capitals of ₹ 10,00,000 and ₹ 15,00,000 respectively. Their profit sharing ratio was 2 : 3 and interest allowed on capital as provided in the Partnership Deed was 12% per annum. During the year ended 31.3.2014, the firm earned a profit of ₹ 2,00,000.
Prepare Profit and Loss Appropriation Account of Brij and Nandan for the year ended 31.3.2014. **3 Marks**

Q58. List the circumstances under which need for valuation of goodwill of the firm may arise. **3 Marks**

Q59. The goodwill of a firm is valued at 3 years' purchase of the average profits of last 3 years. The profits of the last three years were: **3 Marks**

Year		Profit (₹)
2015–16	:	4,00,000 (including an abnormal gain of ₹ 50,000)
2016–17	:	5,00,000 (after charging an abnormal loss of ₹ 1,00,000)
2017–18	:	2,50,000

Calculate the amount of the goodwill.

Q60. On 1-4-2013 Jay and Vijay, entered into partnership for supplying laboratory equipments to government schools situated in remote and backward areas. They contributed capitals of ₹ 80,000 and ₹ 50,000 respectively and agreed to share the profits in the ratio of 3 : 2. The partnership deed provided that interest on capital shall be allowed at 9% per annum. During the year the firm earned a profit of ₹ 7,800. Showing your calculations clearly, prepare 'Profit and Loss Appropriation Account' of Jay and Vijay for the year ended 31-3-2014. **3 Marks**

Q61. The goodwill of a firm was to be valued at two years' purchase of the average profits of the last three years. The profits were as under: **3 Marks**

Year		Normalised Profits
2014-15	:	₹ 20,000 (including an abnormal gain of ₹ 5,000)
2015-16	:	₹ 40,000 (after charging an abnormal loss of ₹ 10,000)
2016-17	:	₹ 40,000 Calculate the amount of goodwill.

Q62. Calculate goodwill of the firm on the basis of 3 years' purchase of the average profits of the last five years. The profits of the last five years were: **3 Marks**

Year	Amount (₹)
2013–14	4,00,000
2014–15	5,00,000
2015–16	(60,000)
2016–17	1,50,000
2017–18	2,50,000

Additional Information:

i. On 1st January, 2016, a fire broke out which resulted into a loss of goods of ₹ 3,00,000. A claim of ₹ 70,000 was received from the insurance company.

ii. During the year ended 31st March, 2017 the firm received an unexpected tax refund of ₹ 80,000.

Q63. What is meant by Internal checks? **3 Marks**

Q64. Pearl and Ruby were partners in a firm with a combined capital of ₹ 2,50,000. The normal rate of return was 10%. The profits of the last four years were as follows: **3 Marks**

	₹
2019-20	35,000
2020-21	25,000
2021-22	32,000
2022-23	33,000

The closing stock for the year 2022-23 was overvalued by ₹ 5,000.
Calculate goodwill of the firm based on three Years' purchase of the last four years' average super profit.

Q65. The capital of the firm of Anuj and Benu is ₹ 10,00,000 and the market rate of interest is 15%. Annual salary to the partners is ₹ 60,000 each. The profit for the last three years were ₹ 3,00,000, ₹ 3,60,000 and ₹ 4,20,000. Goodwill of the firm is to be valued on the basis of two years purchase of last three years average super profits. Calculate the goodwill of the firm. **3 Marks**

Q66. Complete the following journal entries left blank in the books of VK Ltd.: **3 Marks**

VK Ltd.
Journal

Date	Particulars	LF	Dr. Amount (₹)	Cr. Amount (₹)
2018 01-Feb	..... Dr. ..... (Purchased own 500, 9% debentures of ₹ 100 each at ₹ 97 each for immediate cancellation)		____	____
01-Feb	..... Dr. .... (Cancelled own debentures)		____	____ ____
.....	..... Dr. ..... (.....)		____	____

Q67. Ranjan and Vishal were partners in a firm and their books showed that on 31st March, 2018 their capital employed was ₹ 3,00,000. The normal rate of return on capital employed is 15%. During the year ended 31st March, 2018 the firm earned a profit of ₹ 58,000. Calculate goodwill on the basis of 3 years' purchase of super profits. **3 Marks**

Q68. State any three circumstances other than (i) admission of a new partner; (ii) retirement of a partner and (iii) death of a partner, when need for valuation of goodwill of a firm may arise. **3 Marks**

Q69. Manoj and Nitin were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 31st March, 2023, the balances in their capital accounts after making adjustments for profits and drawings were ₹ 90,000 and ₹ 80,000 respectively. The net profit for the year ended 31st March, 2023 amounted to ₹ 30,000. During the year Manoj withdrew ₹ 40,000 and Nitin withdrew ₹ 20,000. Subsequently, it was noticed that Interest on Capital @ 10% p.a. was not provided to the partners. Also Interest on Drawings to Manoj ₹ 3,000 and to Nitin ₹ 2,000 was not charged.
Pass necessary adjusting journal entry. Show your workings clearly. **3 Marks**

Q70. A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. The following was the Balance Sheet of the firm as on 31-3-2010. **4 Marks**

Liabilities		Amount (₹)	Assets	Amount (₹)
Capitals :	A	60,000	Sundry Assets	80,000
	B	20,000		
Total		80,000	Total	80,000

The profits ₹ 30,000 for the year ended 31-3-2010 were divided between the partners without allowing interest on capital @ 12% p.a. and salary to A @ ₹ 1,000 per month. During the year A withdrew ₹ 10,000 and B ₹ 20,000.
Pass the necessary adjustment journal entry and show your working clearly.

Q71. A, B & C were partners.Their capitals were ₹ 30,000; ₹ 20,000 and ₹ 10,000 respectively, According to the partnership deed they were entitled to an interest on capital at 5% p.a. In addition B was also entitled to draw a salary of ₹ 500 per month. C was entitled to a commission of 5% on the profits after charging the **4 Marks**

interest on capital, but before charging the salary payable to B. The net profits for the year were ₹ 30,000, distributed in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2 : 2 : 1. Pass the necessary adjustment entry showing the workings clearly.

Q72. Satnam and Qureshi after doing their MBA decided to start a partnership firm to manufacture ISI marked electronic goods for economically weaker section of the society. Satnam also expressed his willingness to admitJuliee as a partner without capital who is specially abled but a very creative and intelligent friend of him. Qureshi agreed to this. They formed a partnership on 1st April 2012 on the following terms: **4 Marks**

i. Satnam will contribute ₹ 4,00,000 and Qureshi will contribute ₹ 2,00,000 as capitals.
ii. Satnam, Qureshi andJuliee will share profits in the ratio of 2 : 2 : 1.
iii. Interest on capital will be allowed @ 6% p.a.

Due to shortage of capital Satnam contributed ₹ 50,000 on 30th September, 2012 and Qureshi contributed ₹ 20,000 on 1st January, 2013 as additional capitals. The profit of the firm for the year ended 31st March, 2013 was ₹ 3,37,800.

a. Identify any two values which the firm wants to communicate to the society.
b. Prepare Profit & Loss Appropriation Account for the year ending 31st March, 2013.

Q73. Kumar and Raja were partners in a firm sharing profits in the ratio of 7 : 3. Their fixed capitals were: Kumar Rs. 9,00,000 and Raja Rs. 4,00,000. The partnership deed provided for the following but the profit for the year was distributed without providing for: . **4 Marks**

i. interest on capital @ 9% per annum.
ii. Kumar's salary Rs. 50,000 per year and Raja's salary Rs. 3,000 per month.

The profit for the year ended 31.3.2007 was Rs. 2,78,000. Pass the adjustment entry.

Q74. State the elements which are considered while calculating 'deductions' for current payroll period. **4 Marks**

Q75. What is meant by a "Form"? How 'Split Form' is different from 'Simple Form'? **4 Marks**

Q76. Ravi and Mohan were partners in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following: **4 Marks**

i. Interest on Capital @ 12% p.a.
ii. Ravi's salary Rs. 6,000 per month and Mohan's salary Rs. 60,000 per year.

The profit for the year ended 31.3.2007 was Rs. 5,04,000 which was distributed equally, without providing for the above. Pass an adjustment entry.

Q77. A, Band C were partners in a firm. Their capitals were A ₹ 30,000, B Rs. 20,000 and C ₹ 10,000 respectively. According to the partnership deed they were entitled to an interest on capital @ 5% p.a. In addition B was also entitled to draw a salary of ₹ 500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year were ₹ 30,000 distributed' in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2 : 1 : 2. Pass the necessary adjustment entry showing the workings clearly. **4 Marks**

Q78. Lalan and Balan were partnersin. a firm sharing profitsin the ratio of 3 : 2. Their fixed capitals on 1.4.2010 were: Lalan ₹ 1,00,000 and Balan ₹ 2,00,000. They agreed to allow interest on capital @ 12% per annumand to charge on drawings @ 15% per annum. The firm earned a profit, before all above adjustments, of ₹ 30,000 forthe year ended 31.3.2011.The drawings of Lalan and Balan during the year were ₹ 3,000 an ₹ 5,000 respectively. Showing your calculations, clearly prepare Profit and Loss Appropriation A/c of Lalan and Balan. The interest on capital. will be allowed even if the firm incurs a loss. **4 Marks**

Q79. Arun and Arora were partners in a firm sharing profits in the ratio of 5 : 3. Their fixed capitals on 1-4-2010 were: Arun ₹ 60,000 and Arora ₹ 80,000. They agreed to allow interest on capital @ 12% p.a. and to charge on drawings @ 15% p.a. The profit of the firm for the **4 Marks**

year ended 31-3-2011 before all above adjustments were ₹ 12,600. The drawings made by Arun were ₹ 2,000 and by Arora ₹ 4,000 during the year. Prepare Profit and Loss Appropriation Account of Arun and Arora. Show your calculations clearly. The interest on capital will be allowed even if the firm incurs loss.

Q80. Pankaj and Naresh were partners in a firm sharing profits in the ratio of 3 : 2. Their fixed capitals were ₹ 5,00,000 and ₹ 3,00,000 respectively. On 1.1.2017, Saurabh was admitted as a new partner for $\frac{1}{5}$th share in the profits. Saurabh acquired his share of profit from Pankaj. Saurabh brought ₹ 3,00,000 as his capital which was to be kept fixed like the capitals of Pankaj and Naresh. **4 Marks**

Calculate the goodwill of the firm on Saurabh's admission and the new profit sharing ratio of Pankaj, Naresh and Saurabh. Also, pass necessary journal entry for the treatment of goodwill.

Q81. A and B entered into partnership on 1st April 2009 without any partnership deed. They introduced capitals of ₹ 5,00,000 and ₹ 3,00,000 respectively. On 31st October 2009, A advanced ₹ 2,00,000 by way of loan to the firm without any agreement as to interest. **4 Marks**

The Profit and Loss Account for the year ended 31.3.2010 showed a profit of ₹ 4,30,000, but the partners could' not agree upon the amount of interest on loan to be charged and the basis of division of profits. Pass a journal entry for the distribution of the profit between the partners and prepare the Capital A/c of both the partners and Loan A/c of 'A'.

Q82. A partnership firm earned net profits during the last three years as follows: **4 Marks**

Years	Net profit ₹
2007 - 2008	1,90,000
2008 - 2009	2,20,000
2009 - 2010	2,50,000

The capital employed in the firm throughout the above mentioned period has been ₹ 4,00,000. Having regard to the risk involved, 15% is considered to be a fair return on the capital. The remuneration of all the partners during this period is estimated to be ₹ 1,00,000 per annum.

Calculate the value of goodwill on the basis of (i) two year's purchase of super profits earned on average basis during the above mentioned three years and (ii) by capitalisation method.

Q83. A, Band C were partners in a firm having capitals of ₹ 80,000; ₹ 80,000; and ₹ 40,000 respectively. Their current account balances were A : ₹ 10,000; B : ₹ 5,000 and C : ₹ 2,000 (Dr). According to the partnership deed the partners were entitled to interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of ₹ 6,000 p.a. The profits were to be divided as follows: **4 Marks**

A. The first ₹ 20,000 in proportion to their capitals.
B. Next ₹ 30,000 in the ratio of 5 : 3 : 2.
C. Remaining profits to be shared equally.

The firm made a profit of ₹ 1,56,000 before charging any of the above items. Prepare the Profit and Loss Appropriation Account and pass the necessary journal entry for the appropriation of profits.

Q84. Explain the steps involved in the installation of computerized accounting software. **4 Marks**

Q85. Explain 'Flexibility' and 'Cost of installation' as considerations before opting for specific accounting software. **4 Marks**

Q86. What information is provided by a salary bill? Explain. **4 Marks**

Q87. Explain any four sub-groups of the Account Group 'Profit and Loss'. **4 Marks**

Q88. Satnam and Qureshi after doing their MBA decided to start a partnership firm to manufacture ISI marked electronic goods for economically weaker section of the society. Satnam also expressed his willingness to admit Juliee as a partner without capital who is specially abled but a very creative and intelligent friend of him. Qureshi agreed to this. They formed a partnership on 1st April 2012 on the following terms: **4 Marks**

i. Satnam will contribute ₹ 4,00,000 and Qureshi will contribute ₹ 2,00,000 as capitals.
ii. Satnam, Qureshi andJuliee will share profits in the ratio of 2 : 2 : 1.
iii. Interest on capital will be allowed @ 6% p.a.

Due to shortage of capital Satnam contributed ₹ 50,000 on 30th September, 2012 and Qureshi contributed ₹ 20,000 on 1st January, 2013 as additional capitals. The profit of the firm for the year ended 31st March, 2013 was ₹ 3,37,800.

a. Identify any two values which the firm wants to communicate to the society.
b. Prepare Profit & Loss Appropriation Account for the year ending 31st March, 2013.

Q89. Ali, Bimal and Deepak are partners in a firm. On 1st April, 2011 their capital accounts stood at ₹ 4,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. They shared profits and losses in the proportion of 5 : 3 : 2. Partners are entitled to interest on capital @ 10% per annum and salary to Bimal and Deepak: @ ₹ 2,000 per month and ₹ 3,000 per quarter respectively as per the provisions of the partnership deed. Bimal's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of ₹ 50,000 p.a. Any deficiency arising on that account shall be met by Deepak. The profits of the firm for the year ended 31st March, 2012 amounted to ₹ 2,00,000. Prepare Profit & Loss Appropriation Account for the year ended on 31st March, 2012. **6 Marks**

Q90. Rajeev, Sanjeev and Jatin were partners in a firm manufacturing blankets. They were sharing profits in the ratio of 5 : 3 : 2. Their capitals on 1st April, 2012 were ₹ 1,00,000, ₹ 2,00,000 and ₹ 4,00,000 respectively. After the flood in Uttarakhand, all partners decided to help the flood victims personally. **6 Marks**

For this Rajeev withdrew ₹ 10,000 from the firm on 1st October, 2012. Sanjeev instead of withdrawing cash from the firm took blankets amounting to ₹ 14,000 from the firm and distributed those to the flood victims. On the other hand, Jatin withdrew ₹ 1,50,000 from his capital on 31st December, 2012 and set up a centre to provide medical facilities in the flood affected area.
The partnership deed provides for charging interest on drawings @ 6% p.a. After the final accounts were prepared it was discovered that interest on drawings had not been charged. Give the necessary adjusting journal entry and show the working notes clearly. Also state any two values which the partners wanted to communicate to the society.

Q91. From the following Balance Sheet of Kiero Ltd. and the additional information as on 31-3-2018, prepare a Cash Flow Statement: **6 Marks**

Particular	Note No.	31.3.2018 (₹)	31.3.2017 (₹)
I. Equity and Liabilities			
1. Shareholder's Funds			
a. Share Capital		7,90,000	5,80,000
b. Reserve and Surplus	1	4,60,000	1,20,000
2. Non-Current Liabilities			
a. Long-term Borrowings	2	5,00,000	3,00,000
3. Current Liabilities			
a. Short term borrowings	3	1,15,000	42,000
b. Short term Provisions	4	1,18,000	46,000
		19,83,000	**10,88,000**
II. Assets			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Asset	5	9,80,000	6,35,000
ii. Intangible Assets	6	2,68,000	1,70,000
2. Current Assets			
a. Current Investments		1,40,000	70,000
b. Trade Receivables		4,40,000	1,50,000
c. Cash & Cash Equivalents		1,55,000	63,000
		19,83,000	**10,88,000**

Notes to Accounts:

Particular	31.3.2018 (₹)	31.3.2017 (₹)
1 Reserve & Surplus:		
Surplus(Balance in Statement of Profit & Loss)	3,20,000	60,000
General Reserve	1,40,000	60,000
	4,60,000	**1,20,000**
2 Long-term Borrowings:		
12% Debentures	5,00,000	3,00,000
	5,00,000	**3,00,000**
3 Short-term Borrowings		
Bank Overdraft	1,15,000	42,000
	1,15,000	**42,000**
4 Short-term Provisions		
Provision for Tax	1,18,000	46,000
	1,18,000	**46,000**
5 Tangible Assets		
Plant and Machinery	11,00,000	7,50,000
Less: Accumulated Depreciation	(1,20,000)	(1,15,000)
	9,80,000	**6,35,000**
6 Intangible Assets		
Goodwill	2,68,000	1,70,000
	2,68,000	**1,70,000**

Additional Information:

12% debentures were issued on 1st September, 2017.

Q92. State the steps to correct # Value ! Error. **6 Marks**

Q93. A factory owner purchases a new machine that costs ₹ 6,00,000 and has a useful life for 10 years, with salvage value of ₹ 60,000. Indicate the formula to be used in an Excel Worksheet to calculate depreciation under the Diminishing Balance Method. Also, using the formula, calculate the depreciation to be provided for a day, a month and a year. **6 Marks**

Q94. Abdul, Kadir and Kasim were partners in a firm supplying food items. They were sharing profits in the ratio of 5 : 3 : 2. Their capitals on 1st April, 2012 were ₹ 1,00,000, ₹ 1,50,000 and ₹ 3,00,000 respectively. After the floods in Uttaranchal, all partners decide to personally help the flood victims. **6 Marks**

For this Abdul withdrew ₹ 20,000 from the firm on 1st September, 2012, Kadir instead of withdrawing cash from the firm took some food items amounting to ₹ 24,000 from the firm and distributed to the flood victims. On the other hand, Kasim withdrew ₹ 1,00,000 from his capital on 1st January, 2013 and provided a Mobile Medical Van for medical facilities in the flood affected area.
The partnership deed provides for charging interest on drawings @ 6% p.a. After the Final Accounts were prepared, it was discovered that interest on drawings had not been charged.
Give the necessary adjusting journal entry and show the working notes clearly. Also state any two values that the partners wanted to communicate to the society.

Q95. Rohit Kumar is a supervisor. He took leave for three days during the month. His basic pay is ₹ 25,000. On the basis of the following information using Excel give the formulae to compute: **6 Marks**

a. Basic pay earned;
b. D.A.;
c. House rent allowance and
d. Transport allowance

Information:

Number of working days in the month - 31, Rate of D.A. 55% of basic pay, HRA for supervisory staff is 25% of basic pay, HRA for non-supervisory staff 12% of basic pay, Transport allowance for supervisory staff ₹ 2,000 per month, transport allowance for non-supervisory staff ₹ 1,000 per month.

Q96. A factory owner purchases a new machine that costs ₹ 3,00,000 and has a useful life for 10 years, with salvage value of ₹ 30,000. Indicate the formula to be used in an Excel worksheet to calculate Depreciation under the Diminishing Balance Method. Also using the formula, calculate the depreciation to be provided for a day, a month and a year. **6 Marks**

Q97. Ahmad, Bheem and Daniel are partners in a firm. On 1st April 2011 the balance in their capital accounts stood at ₹ 8,00,000, ₹ 6,00,000 and ₹ 4,00,000 respectively. They shared profits in the proportion of 5 : 3 : 2 respectively. Partners are entitled to interest on capital @5% per annum and salary to Bheem @ ₹ 3,000 per month and a commission of ₹ 12,000 to Daniel as per the provisions of the partnership deed. **6 Marks**

Ahmad's share of profit, excluding interest on capital, is guaranteed at not less than, ₹ 25,000 p.a, Bheem's share of profit, including interest on capital but excluding salary, is guaranteed at not less than ₹ 55,000 p.a. Any deficiency arising on that account shall be met by Daniel. The profits of the firm for the year ended 31st March 2012 amounted to ₹ 2,16,000. Prepare 'Profit and Loss Appropriation Account' for the year ended 31st. March 2012.

Q98. Jatin, Kartik and Lakhan were partners in a firm sharing profits and losses in the ratio of 7 : 5 : 3. Their Balance Sheet as at 31st March, 2023, was as follows: **6 Marks**

Balance Sheet of Jatin, Kartik and Lakhan as at 31st March, 2023

Liabilities		Amount ₹	Assets	Amount ₹
Bills Payable		80,000	Bank	40,000
General Reserve		60,000	Stock	80,000
Capitals :			Debtors	1,00,000
Jatin	1,00,000		Fixed Assets	1,20,000
Kartik	60,000			
Lakhan	40,000	2,00,000		
		3,40,000		3,40,000

Kartik died on 30th September, 2023. According to the partnership deed, Kartik's legal representatives were entitled to the follwoing:

i. Balance in his Capital Account.
ii. Interest on capital @ 10% p.a.
iii. His share of goodwill. Goodwill of the firm was valued on the basis of thrice the average of the past four years' profits.
iv. His share of goodwill. Goodwill of the firm was valued on the basis of thrice the average of the past four years' profits.
v. His share in profits up to the date of death on the basis of total profits for the preceding two years.

Profit for the previous years were:

	₹
2019 - 20	1,41,000
2020 - 21	(30,000)
2021 - 22	60,000
2022 - 23	69,000

Prepare Kartik's Capital Account to be rendered to his legal representatives.

Q99. Naveen, Seerat and Hina were partners in a firm manufacturing blankets. They were sharing profits in the ratio of 5 : 3 : 2. Their capitals on 1st April, 2012 were ₹ 2,00,000; ₹ 3,00,000 and ₹ 6,00,000 respectively. After the floods in Uttaranchal, all partners decided to help the flood victims personally. **6 Marks**

For this Naveen withdrew ₹ 10,000 from the firm on 1th September, 2012. Seerat, instead of withdrawing cash from the firm took blankets amounting to ₹ 12,000 from the firm and distributed to the flood victims.

On the other hand, Hina withdrew ₹ 2,00,000 from her capital on 1st January, 2013 and set up a centre to provide medical facilities in the flood affected area.

The partnership deed provides for charging interest on drawings @ 6% p.a. After the Final Accounts were prepared, it was discovered that interest on drawings had not been charged. Give the necessary adjusting journal entry and show the working notes clearly. Also state any two values that the partners wanted to communicate to the society.

Q100. On 31st March, 2018 the balance in the Capital Accounts of Abhir, Bobby and Vineet, after making adjustments for profits and drawings were ₹ 8,00,000, ₹ 6,00,000 and ₹ 4,00,000 respectively. **6 Marks**

Subsequently, it was discovered that interest on capital and interest on drawings had been omitted. The partners were entitled to interest on capital @ 10% p.a. and were to be charged interest on drawings @ 6% p.a. The drawings during the year were: Abhir - ₹ 20,000 drawn at the end of each month, Bobby - ₹ 50,000 drawn at the beginning of every half year and Vineet - ₹ 1,00,000 withdrawn on 31st October, 2017. The net profit for the year ended 31st March, 2018 was ₹ 1,50,000. The profit sharing ratio was 2 : 2 : 1.
Pass necessary adjusting entry for the above adjustments in the books of the firm. Also, show your workings clearly.

Q101. Sonu and Rajat started a partnership firm on April 1, 2017. They contributed ₹ 8,00,000 and ₹ 6,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3 : 2. **6 Marks**
The partnership deed provided that Sonu was to be paid a salary of ₹ 20,000 per month and Rajat a commission of 5% on turnover. It also provided that interest on capital be allowed @ 8% p.a. Sonu withdrew ₹ 20,000 on 1st December, 2017 and Rajat withdrew ₹ 5,000 at the end of each month. Interest on drawings was charged @ 6% p.a. The net profit as per Profit and Loss Account for the year ended 31st March, 2018 was ₹ 4,89,950. The turnover of the firm for the year ended 31st March, 2018 amounted to ₹ 20,00,000.
Pass necessary journal entries for the above transactions in the books of Sonu and Rajat.

Q102. Moli, Bhola and Raj were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. Their partnership deed provided for the following: **8 Marks**

i. Interest on capital @ 5% p.a.
ii. Interest on drawing @ 12% p.a.
iii. Interest on partners' loan @ 6% p.a.
iv. Moli was allowed an annual salary of ₹ 4,000; Bhola was allowed a commission of 10% of net profit as shown by Profit and Loss Account and Raj was guaranteed a profit of ₹ 1,50,000 after making all the adjustments as provided in the partnership agreement.

Their fixed capitals were Moli: ₹ 5,00,000; Bhola: ₹ 8,00,000 and Raj: ₹ 4,00,000. On 1st April, 2016 Bhola extended a loan of ₹ 1,00,000 to the firm. The net profit of the firm for the year ended 31st March, 2017 before interest on Bhola's loan was ₹ 3,06,000.
Prepare Profit and Loss Appropriation Account of Moli, Bhola and Raj for the year ended 31st March, 2017 and their Current Accounts assuming that Bhola withdrew ₹ 5,000 at the end of each month, Moli withdrew ₹ 10,000 at the end of each quarter and Raj withdrew ₹ 40,000 at the end of each half year.