

Assignment Class 12 Accounts

Topic- Partnership fundamentals

Time Allowed: 40 mins.

Maximum Marks: 20

1. Following differences have arisen among P, Q and R. State who is correct in each case:
 - a) P used rs. 50,000 belonging to the firm and earned a profit of rs. 5000. Q and R want to be given to the firm.
 - b) Q and R want to admit W as a partner, P does not agree.
 - c) Q used rs. 10000 belonging to the firm and incurred a loss of rs. 1,000. He wants the firm to bear the loss.
 - d) R had Given loan to the firm for rs. 2,00,000 to the firm and demands interest @ 10% p.a. P and Q don't want to pay the interest.
2. Assertion: Partnership is a separate and distinct entity from partners from the view of accounting.

Reason: According to the Business Entity concept, transactions of the business are recorded from the viewpoint of the firm. Hence it is a separate and distinct entity from partners from the viewpoint of accounting.
3. Partner's Drawing Account is closed
 - a) By transfer to credit side of the capital Account
 - b) By transfer to credit of current Account
 - c) Either a or b
 - d) By transfer to debit side of capital or current Account
4. Relationship between partners is of
 - a) close relatives
 - b) Agent and Principal
 - c) Junior-Senior Relationship
 - d) Senior-Subordinate Relationship
5. A Minor can also be admitted as a partner. True or False?
6. A and B are partners. Net divisible profit as per P & L Appropriation account is rs. 3,00,000. The total interest on partner's drawings is rs. 8000. A's salary is rs. 10,000 per quarter and B's salary is rs. 60,000 p.a. A's share of profit will be.....
7. X and Y are partners in a firm sharing profits and losses in the ratio of 3:2 with capitals of rs. 10,00,000 and rs. 5,00,000 respectively. As per partnership deed they are allowed interest on capital @8% p.a. The net profit for the year ended 31st March 2021 before providing for interest on capital amounted to rs. 45,000. Show the distribution of profit.
8. Calculate Total drawings of A if has withdrawn same amt rs. 5000 in beginning of every month starting from 1st oct 2020 and rate of interest is 8%.

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9. P and Q are partners sharing profits and losses in the ratio of 60:40. On 1st April 2020 their capitals were: P-rs. 5,00,000 and Q-Rs. 3,00,000. During the year ended 31st March 2021 they earned a profit of rs. 7,60,000. The terms of partnership are:

a) Interest on capital is to be charged @8% p.a.

b) P will get commission @3% on turnover

c) Q will get salary of rs. 5000 p.m.

d) Q will get commission of 5% on profits after deduction of interest, salary and commission (including his own commission)

e) P is entitled to a rent of rs. 20,000 p.m. for the use of his premises by the firm.

Partners drawings for the year were : P rs 40,000 and Q –rs 30,000. Turnover for the year was rs. 20,00,000. After considering the above factors you are required to prepare the profit and loss Appropriation and capital accounts of the partners.

Q-10 A, B and C are partners sharing profits in the ratio of 1:2:3. A withdrew rs. 5000 every month, B withdrew rs. 60,000 during the year and C withdrew rs. 15,000 during each quarter. It was discovered that for the year ending 31st March 2021, interest on drawings was charged @ 8% p.a. whereas there is no provision for interest on drawings in the partnership deed. Pass necessary rectifying entry.