

Assignment Class 12 Accounts

Topic- Admission of a new partner

Time Allowed: 60 mins.

Maximum Marks: 20

Q1. Given below is the balance sheet of S as at 31st march 2020.

Liabilities	Amount	Assets	Amount
Capital	2,00,000	Building	1,50,000
Sundry creditors	75,000	Furniture and Fittings	50,000
		B/R	10,000
		Debtors	25000
		Less : prov	<u>5000</u> <u>20,000</u>
		Cash at bank	45,000
	<hr/>		<hr/>
	<u>2,75,000</u>		<u>2,75,000</u>

T was admitted as a partner for a half share of profits on the following conditions

- (1) Building to be appreciated by 20%
- (2) Furniture and fittings to be written down to rs. 45,000
- (3) Bills receivables not to be taken over by the new partnership
- (4) Provision for doubtful debts was found in excess by rs. 3000.
- (5) A liability of rs. 2000 included in creditors was not likely to arise
- (6) There is an additional liability of rs 5000 being outstanding salary payable to employees of the firm

T is to bring rs. 30,000 as premium for goodwill and further cash to make his capital equal to $\frac{3}{5}$ th of S's capital.

Prepare all relevant accounts with balance sheet.

Q-2 A and B are partners sharing profits and losses in the ratio of 2:1. Following items appeared in their balance sheet as at 31st March 2018:

A's capital rs 48000, B's capital rs. 30,000; creditors rs. 15,000; bank balance rs 5000; Debtors rs. 20,000; Machinery rs. 36000; stock rs. 44,000.

They admit C in to partnership on 1st April 2018 with $\frac{1}{6}$ th share in profits which he acquires equally from A and B. He brings in rs. 20000 as his capital and rs. 18,000 as goodwill in cash.

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Following revaluations are made

- 1) 5 % provision be made for doubtful debts on Debtors and a provision of 2% be made on Debtors and creditors for discount.
- 2) rs. 1000 are prepaid for insurance
- 3) Rs. 5000 are outstanding for salary
- 4) Rs. 1480 for accrued income are to be shown in the books
- 5) Investments for rs. 6000 have been omitted to be recorded in the books

A and B decide to have their capitals in proportion to their share in profits based on c's share. Any excess of capital was to be withdrawn and deficit to be paid in cash.

Prepare partners capital accounts and give the new balance sheet of the firm.

Q-3 Om, Ram and Shanti are partners in the firm sharing profits and losses in the ratio of 3:2:1. On 1st April 2014 their balance sheet was as follows.

Liabilities	Amount	Assets	Amount
Capital : Om	3,58,000	Land & Building	3,64,000
Ram	3,00,000	Plant and Machinery	2,95,000
Shanti	2,62,000	Furniture	2,33,000
General Reserve	48,000	Bills receivables	38,000
Creditors	1,60,000	Debtors	90,000
Bills payable	90,000	Stock	1,11,000
		Bank	87,000
	<u>12,18,000</u>		<u>12,18,000</u>

On the above date hanuman was admitted on the following terms:

- 1) He will bring rs. 1,00,000 for his capital and will get 1/10th share in the profits
- 2) He will bring necessary cash for his share of goodwill premium. The goodwill of the firm was valued at rs. 3,00,000
- 3) A liability of rs. 18,000 will be created against bills receivables discounted.
- 4) the value of furniture and stock will be reduced by 20%
- 5) the value of land and building will be increased by 10%
- 6) Capital accounts of the partners will be adjusted on the basis of Hanuman's capital in their profit sharing ratio by opening current accounts.

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Prepare revaluation account and partner's capital account.

Q-4 A and B are partners sharing profits and losses in the ratio of 4:1. They admit C in to partnership for $\frac{1}{6}$ th share for which he pays rs. 20000 for goodwill. A, B and C decide to share future profits in the ratio of 3:2:1 respectively. Give the necessary journal entries.

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