



## ASSIGNMENT NO. 1

**SUBJECT: ACCOUNTANCY**

**CLASS-XII**

**APRIL- MAY' 2026**

### Chapter 1: Fundamentals of Partnership

- Pankaj, Quraishi and Rozer were partners with fixed capital of ₹ 80,000, ₹64,000 and ₹48,000. After distributing the profit of ₹96,000 for the year ended 31st March 2022 in their agreed ratio of 3:1:1. It was observed that:
  - Interest on capital was provided at 10% p.a. instead of 8% p.a.
  - Salary of ₹ 12,000 was credited to Pankaj instead of Quraishi.You are required to pass journal entry in the beginning of the next year to rectify the above omissions.
- A and B are partners in the ratio 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31<sup>st</sup> March, 2024 amounted to ₹3,20,000 and ₹2,80,000 for A and B respectively. Their drawings during the year were ₹60,000 each.

As per the Partnership Deed, interest on capital @10% p.a. on opening capital had been provided to them. Calculate opening capitals of partners given that their profit was ₹1,80,000. Show your workings clearly.
- A and B started a partnership business on 1st April 2019. Their capital contributions were ₹3,00,000 and ₹ 2,00,000 respectively. The partnership deed provided:
  - Interest on capitals @5% p.a.
  - A to get a salary of ₹ 15,000 p.a. and B ₹1,000 monthly.
  - Commission to B @10% of profits after charging interest on capital, salary and such commission.
  - Profits are to be shared in the ratio of 3:2.The profits for the year ended 31st March 2020 before making above appropriations were ₹3,00,000. A's drawing during the year were ₹5,000 and for B it was ₹7,000. Prepare Profit and Loss Appropriation Account and Partners Capital Accounts for the year ended March 31, 2020.
- Cheese and Slice are equal partners. Their capitals as on April 01, 2022 were ₹50,000 and ₹1,00,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% per annum and salary to Cheese @ ₹5,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits. You are required to give necessary rectifying entries using P&L adjustment account.
- Radha and Rukmani are partners in a firm with fixed capitals of ₹2,00,000 and ₹3,00,000 respectively. They share profits in the ratio of 1: 2. Both partners are entitled to interest on capitals @ 8% per annum. In addition, Rukmani is entitled to a salary of ₹20,000 per month. Business is being carried from the property owned by Radha on a yearly rent of ₹1,20,000. Net Profit for the year ended 31st March 2024 before providing for rent was ₹5,50,000. You are required to draw Profit & Loss Appropriation Account for the year ended 31st March, 2024.
- A) Mr. Ashok Gupta is a partner in a firm. He withdrew the following amounts during the year ended 31st March, 2024:**

April 30- ₹8,000  
June 30- ₹6,000  
Sept.30- ₹ 5,000  
Dec. 31- ₹ 12,000  
Jan. 31- ₹ 10,000

Calculate interest on drawings @ 9% p.a. for the year ended on 31st March, 2024.

**B)** Gopal is a partner in a firm. He drew regularly ₹800 at the end of every month for the six months ending 31st March, 2024. Calculate interest on drawings at 15% p.a.

7. A and B were partners sharing profits in the ratio of 2:1. During the year ended 31<sup>st</sup> March, 2023, A's drawings were ₹50,000 per month drawn in the beginning of every month and B's drawings were ₹25,000 per month drawn at the end of every month. After the preparation of final accounts, it was discovered that interest on A's drawings @ 12% p.a. was not taken into consideration. Give the necessary adjusting entry on 1st April, 2023.
8. Anubha and Kajal entered into partnership sharing profits and losses in the ratio of 2: 1. Their capitals were ₹90,000 and ₹60,000. The profit during the year were ₹45,000. According to partnership deed, both partners are allowed salary, ₹700 per month to Anubha and ₹500 per month to Kajal. Interest is allowed on capital @ 5% p.a. The drawings during the period were ₹8,500 for Anubha and ₹6,500 for Kajal. Interest is to be charged @ 5% p.a. on drawings. Prepare Profit and Loss Appropriation Account and partners' capital accounts, assuming that the capital accounts are fluctuating.
9. E, F and G were partners in a firm sharing profits in the ratio of 3:2:1 After division of the profits for the year ended 31-3-2024 their capitals were E ₹2,95,000; F ₹3,30,000 and G ₹3,35,000. During the year they withdrew ₹40,000 each. The profit of the year was ₹1,80,000. The partnership deed provided that interest on capital will be allowed @ 12% p.a. While preparing the final accounts, interest on partner's capital was not allowed.  
You are required to calculate the capital of E, F and G as on 1-4-2023 and pass the necessary adjustment entry for providing interest on capital. Show your workings clearly.
10. A, B and C were partners in a firm. On 1st April, 2021 their capitals stood as ₹5,00,000; ₹2,50,000 and ₹2,50,000 respectively. As per provisions of the partnership deed:  
(i) C was entitled for a salary of ₹5,000 per month.  
(ii) A was entitled for a commission of ₹80,000 p.a.  
(iii) Partners were entitled to interest on capital @ 6% p.a.  
(iv) Partners will share profits in the ratio of capitals.  
Net profit for the year ended 31.03.2022 was ₹3,00,000 which was distributed equally, without taking into consideration the above provisions. Showing your workings clearly, pass necessary adjustment entry for the above.

## Chapter 2: Goodwill: Nature & Valuation

1. Calculate goodwill using:
  - a) Capitalisation of Average Profits
  - b) Capitalisation of Super Profits
    - Actual Average Profits- ₹72,000
    - Normal Rate of Return- 10%
    - Assets- ₹9,70,000

- Liabilities- ₹4,00,000

2. Luv and Kush are partners sharing profits equally. They admit Shubh into partnership for equal share. Goodwill was agreed to be valued at two years' purchase of average profit of last four years. Profits for the last four years were:

| Year Ended       | Normal Profit/ (Loss) (₹) |
|------------------|---------------------------|
| 31st March, 2019 | 70,000;                   |
| 31st March, 2020 | 1,00,000;                 |
| 31st March, 2021 | 55,000 (Loss);            |
| 31st March, 2022 | 1,44,000.                 |

The books of account of the firm were perused and following was noticed:

- a) Firm had profit on sale of building (abnormal gain) of ₹10,000 during the year ended 31<sup>st</sup> March, 2019.
  - b) Firm incurred loss on sale of computers (abnormal loss) of ₹20,000 during the year ended 31<sup>st</sup> March, 2020.
  - c) Repairs to car of ₹50,000 was wrongly debited to Vehicles Account on 1<sup>st</sup> June, 2020. Depreciation was charged on vehicles @ 12% p.a. on Straight Line Method. Calculate the value of Goodwill.
3. The average net profits of a firm are ₹ 1,80,000 per year. Average capital employed by the firm is ₹7,00,000. The normal rate of return from capital invested in this type of business is 10%. Remuneration of the partners is expected to be ₹ 20,000 p.a. Find out the value of goodwill on the basis of two years purchase of super profits.
  4. Calculate the value of goodwill on the basis of three years' purchase of the weighted average profits of the last five years. Profits to be weighted 1, 2, 3, 4 and 5, the greatest weightage to be given to last year. Profits of the last five years were:

| Year ended       | (₹)   |
|------------------|---|
| 31st March, 2019 | Profit- 80,000  |
| 31st March, 2020 | Profit- 1,05,000 (after considering abnormal loss of ₹41,500) |
| 31st March, 2021 | Loss- 20,000 (after considering abnormal gain of ₹40,000)     |
| 31st March, 2022 | Profit- 1,80,000  |
| 31st March, 2023 | Profit- 2,00,000  |

Books of Accounts of the firm revealed that:

- (i) Closing Stock as on 31<sup>st</sup> March, 2019 was overvalued by ₹40,000
- (ii) Repairs to Machinery ₹60,000 were wrongly debited to Machinery Account on 1<sup>st</sup> July, 2021. Depreciation was charged on Machinery @20% p.a. on diminishing balance method.

### Chapter 3: Change in Profit Ratio among Existing Partners

1. Vinod and Swami are partners in a firm sharing profits in the ratio 2:3. The balance sheet of the firm and additional information as on 31 March 2015 is given below:

The partners decided to share profits in equal ratio w.e.f. 1 April 2015. The following adjustments were agreed upon:

- a) Goodwill of the firm was valued at ₹4,00,000, but it was not to appear in the books.
  - b) They decided to show the General Reserve in the new Balance Sheet without affecting its book value.
2. A, B and C are partners sharing profits in the ratio of 4:3:2 decided to share profits equally. Goodwill of the firm is valued at Rs.10,800. Pass an adjustment entry for goodwill.

3. A and B were partners in a firm sharing profit or loss equally. With effect from 1st April 2019, they agreed to share profits in the ratio of 4:3. Calculate the change in ratio among the partners.
4. X, Y and Z are partners in a firm sharing profits in the ratio 4:3:2. Their Balance Sheet as at 31-3-2023 showed a debit balance of Profit & Loss A/c ₹1,80,000. From 1-4-2023 they will share profits equally. Give the necessary journal entry to give effect to the above arrangement when X, Y and Z decided not to close the Profit & Loss Account.
5. P, Q and R are in partnership sharing profits and losses in the ratio 5:4:3. On 31st March 2023, their balance sheet was as follows.

| <b>Liabilities</b>   | <b>₹</b>         | <b>Assets</b>     | <b>₹</b>         |
|----------------------|------------------|-------------------|------------------|
| Sundry Creditors     | 50,000           | Bank              | 40,000           |
| Outstanding Expenses | 5,000            | Sundry Debtors    | 2,10,000         |
| General Reserve      | 75,000           | Stock             | 3,00,000         |
| Capital Accounts     |                  | Furniture         | 60,000           |
| P                    | 4,00,000         | Plant & Machinery | 4,20,000         |
| Q                    | 3,00,000         |                   |                  |
| R                    | 2,00,000         |                   |                  |
|                      | <b>10,30,000</b> |                   | <b>10,30,000</b> |

It was decided that with effect from 1<sup>st</sup> April 2023, the profit-sharing ratio will be 4:3:2. For this purpose the following revaluation were made

- (i) Furniture be taken at 80% of its value.
- (ii) Stock be appreciated by 20%.
- (iii) Plant and Machinery be valued at ₹4,00,000.
- (iv) Create provision for doubtful debts for ₹10,000 on debtors.
- (v) Outstanding expenses be increased by ₹3,000.

Partners agreed that altered values are not to be recorded in the books and they also do not want to distribute the general reserve. You are required to post a single journal entry to give effect to the above. Also prepare the Partner's Capital Account and revised Balance Sheet.