



# विजनरी कॉमर्स अकॅडमी एलएलपी

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**Standard:- 12th Commerce**  
**Subject:- Book Keeping & Accountancy**

**Admission Of Partner**

**Q2 Total 10 Marks Practical Question + At least 3 Marks Objective**

# Reconstitution of partnership

**Meaning:-** Change in the form of partnership. Change in the agreement.

## Forms of Reconstitutions

Change in  
the profit

Retirement  
of partner

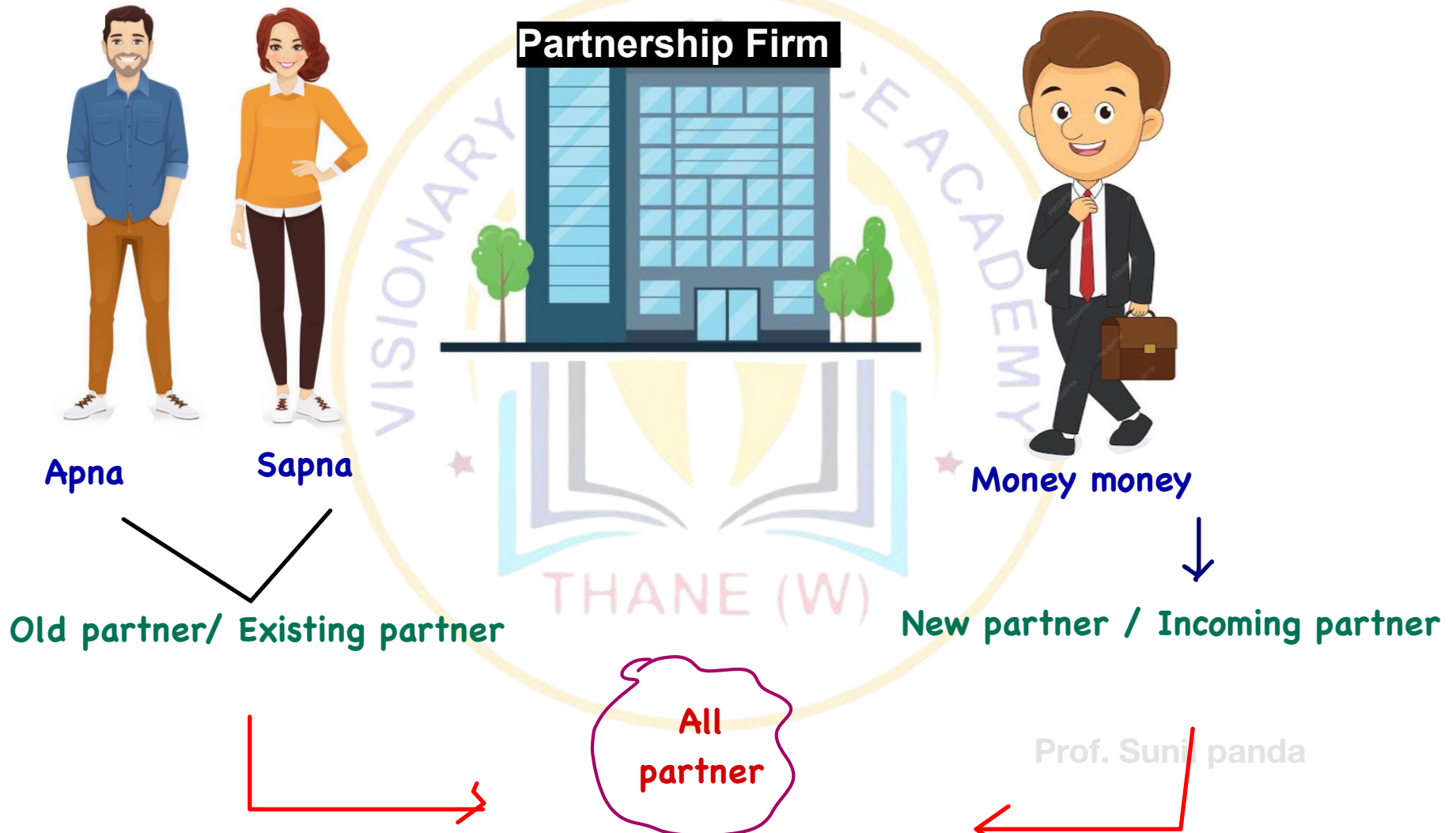
Admission of  
Partner

Death of  
Partner

03

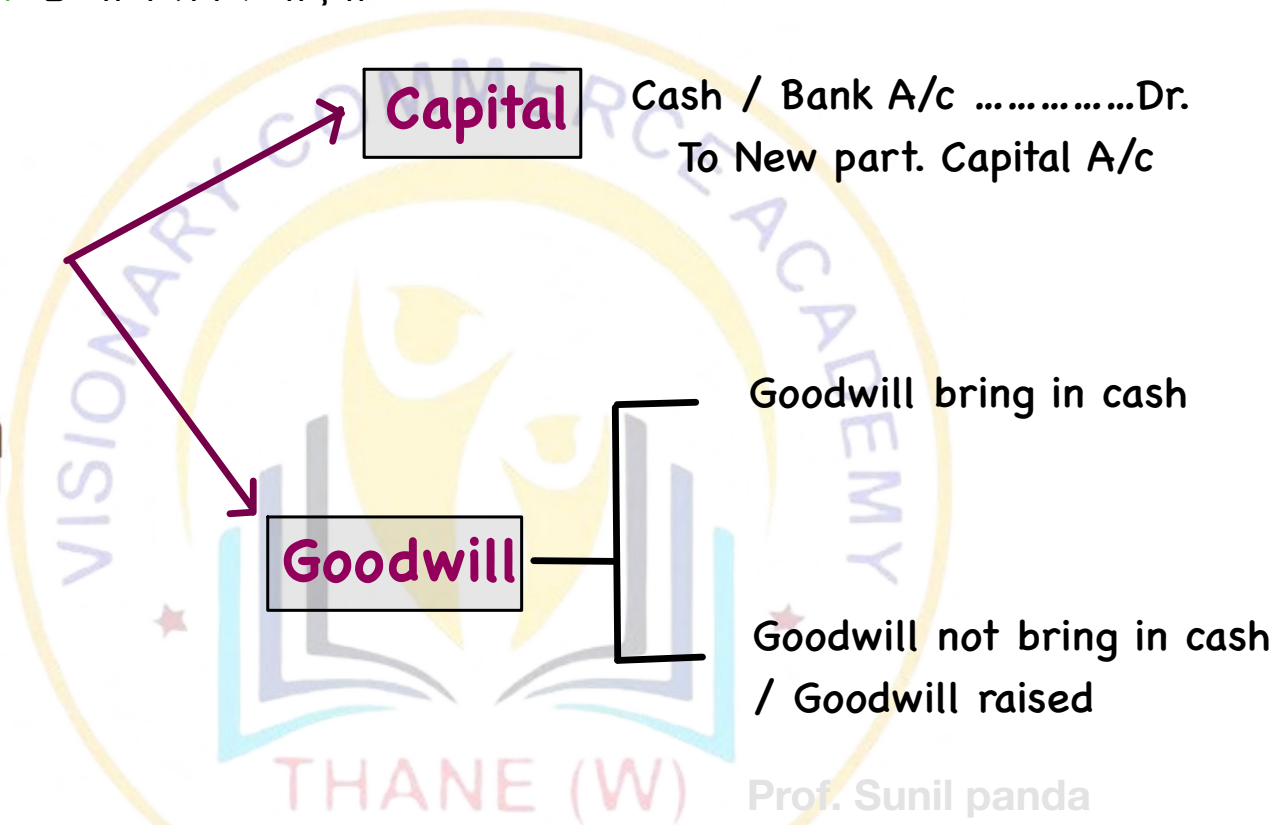
# ADMISSION OF PARTNER

**Meaning: -** The procedure of admitting a new partner into the existing partnership firm as per the term & conditions of partnership deed is called as admission of partner.



The incoming partner will bring cash as **capital**.  
He also bring cash as **goodwill** to compensate the old partners who sacrifice.

**New Partner** 2 चीज लेकर आएगा



✓ **Assets & liabilities Revalued.**

✓ **The Goodwill of firm is valued.**

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# Ratios which are use in Admission of partner

## Old Ratio = Given in Question OR Equal

Given  
E.g :- 1:2, 3:2

Given Word  
EQUAL (1:1)

Given As per Capital Ratio

E.g Capital is  
X,Y,Z is ₹10,000 ; ₹20,000  
So Ratio is = 1 : 2

## New Ratio = Remaining profit \* Old Ratio

When new partner is admitted in firm the profit sharing ratio of existing partners change & there is need to calculate NPSR

Stage 1 🖱️ Remaining profit = 1 - Share of new partner

Stage 2 🖱️ NPSR = Old ratio \* Remaining profit

## Sacrifice Ratio = Old Ratio - New Ratio

When a new partner is admitted old partners have to sacrifice their share of profit to new partner

# Find out Sacrifice Ratio (SR) 🤔

If NPSR is not  
Given in the  
Question

$$SR = \text{Old Ratio} - \text{New Ratio}$$

$$SR = \text{Old Ratio} - \cancel{\text{New Ratio}}$$

$$SR = \text{Old Ratio}$$

old Ratio को ही  
sacrifice Ratio मान  
कर चलो

If NPSR is  
Given in the  
Question

तो sacrifice  
Ratio निकलो

$$SR = \text{Old Ratio} - \text{New Ratio}$$

# Find out New profit sharing ratio (NPSR)

Stage 1 🖱️ Remaining profit = 1 - Share of new partner

Stage 2 🖱️ NPSR = Old ratio  $\times$  Remaining profit

**Eg. :-** X & Y share profit and losses in the ratio 3:2 in partnership firm. Z admitted as 1/4 share in future profit.

Old = X : Y 3:2

New = Z = 1/4

Remaining profit = 1 - share of New partner

Only for old partner

$$R.P = 1 - \frac{1}{4} = \frac{(1 \times 4) - 1}{4} = \frac{4 - 1}{4} = \frac{3}{4}$$

NPSR = O.R.  $\times$  R.P

$$X = \frac{3}{5} \times \frac{3}{4} = \frac{3 \times 3}{5 \times 4} = \frac{9}{20}$$

$$Y = \frac{2}{5} \times \frac{3}{4} = \frac{2 \times 3}{5 \times 4} = \frac{6}{20}$$

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$$Z = \frac{1}{4} \times \frac{5}{5} = \frac{5}{20}$$

9:6:5

$$\text{Old Partners} = x : y = 1 : 2$$

$$\text{New Partner} = z = \frac{1}{4}$$

---

---

Remaining profit = 1 - share of New partner

Only for  
old  
partner

$$R.P = 1 - \frac{1}{4} = \frac{(1 \times 4) - 1}{4} = \frac{4 - 1}{4} = \frac{3}{4}$$

$$\text{NPSR} = \text{O.R.} \times \text{R.P}$$

$$x = \frac{1}{3} \times \frac{3}{4} = \frac{1 \times 3}{3 \times 4} = \frac{3}{12}$$

$$y = \frac{2}{3} \times \frac{3}{4} = \frac{2 \times 3}{3 \times 4} = \frac{6}{12}$$

---

$$z = \frac{1}{4} \times \frac{3}{3} = \frac{3}{12}$$

$$3 : 6 : 3$$

OR

$$1 : 2 : 1$$



## Find out Sacrifice Ratio (SR)

**SR = Old Ratio - New Ratio**

$$\begin{aligned} \text{O.R} &= 3:2 \\ \text{N.R} &= 3:2:3 \end{aligned}$$

$$\checkmark X = \frac{3}{5} - \frac{3}{8} = \frac{(3 \times 8) - (5 \times 3)}{5 \times 8} = \frac{24 - 15}{40} = \frac{9}{40}$$

$$\checkmark Y = \frac{2}{5} - \frac{2}{8} = \frac{(2 \times 8) - (5 \times 2)}{5 \times 8} = \frac{16 - 10}{40} = \frac{6}{40}$$

$$\begin{aligned} &\underline{\underline{9:6}} \quad \downarrow \\ &3:2 \end{aligned}$$

$$\text{O.R} = 2:1$$

$$\text{New Ratio} = 3:2:1$$

$$X = \frac{2}{3} - \frac{3}{6} = \frac{12 - 9}{18} = \frac{3}{18}$$

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$$Y = \frac{1}{3} - \frac{2}{6} = \frac{6 - 6}{18} = \frac{0}{18}$$

# Given In question

→ Old Balance Sheet

→ Adjustments

# Require to Prepare

**Journal Entries**

OR

**Ledgers**

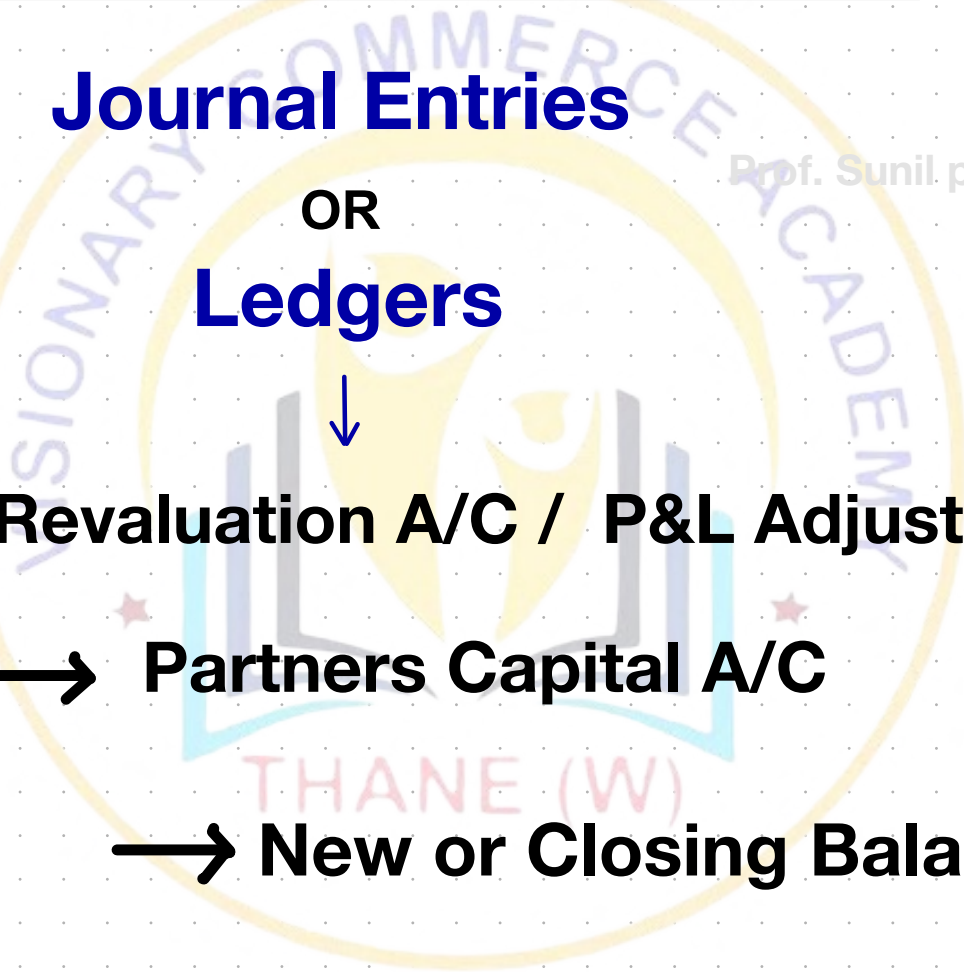


→ Revaluation A/C / P&L Adjustment A/c

→ Partners Capital A/C

→ New or Closing Balance sheet

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**1) Increasing the value of Assets and Decreasing the value of Liabilities**

Assets A/c .....Dr.

Liabilities A/c .....Dr.

Revaluation A/c

Profit = Rev A/c → Cr  
Loss = Rev A/c → Dr

**2) Decreasing the value of Assets and Increasing the value of Liabilities**

Revaluation A/c .....Dr.

To Assets A/c

To Liabilities A/c

**3) Recording the unrecorded Assets in the books of accounts.**

Assets A/c.....Dr.

To Revaluation A/c

**4) Creating new liabilities (Recording the unrecorded liabilities) in the books.**

Revaluation A/c.....Dr.

To Liabilities A/c

**5) Profit on Revaluation Transfer to Old partner Capital / current A/C**

**Revaluation A/c.....Dr  
To Old partner Capital / Current A/c**

**6) Loss on Revaluation Transfer to Old partner Capital / current A/C**

**Old partner Capital / Current A/C .....Dr  
To Revaluation A/c**

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# Revaluation A/C.

Dr.

profit & loss Adjustment A / C

Cr.

नुकसान

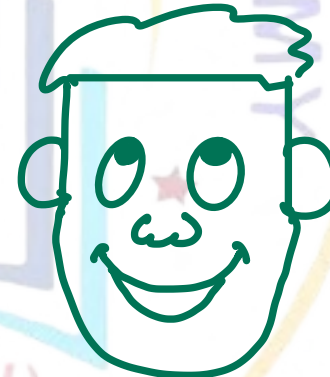
LOSS



EXPENSES

फायदा

PROFIT



INCOME

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**Dr.**

**Specimen of Revaluation / Profit & Loss Adjustment Account**

**Cr.**

<b>Particular</b>	<b>Amt (₹)</b>	<b>Paritcular</b>	<b>Amt (₹)</b>
To Asset A/c (Decrease-- in Asset)	xxx	By Asset A/c (Increase in Asset)	xxx
To Liability (Increase in Liability)	xxx	By Liability (Decrease in Liability)	xxx
To Old Partners' Capital / Current A/c (Profit on Revaluation transferred)	xxx	By Old Partner's Capital / Current A/c (Loss on Revaluation transferred)	xxx

**Text book page number:- 133**

By Sunil panda sir

# Partner's capital A / C

Dr.

Cr.

Particulars	A Amt (₹)	B Amt (₹)	C Amt(₹)	Particulars	A Amt (₹)	B Amt (₹)	C Amt (₹)
To Cash / Bank (G/W withdrawn)	xx	xx	—	By Balance b / d (Opening)	xx	xx	—
To Goodwill A/ c (Goodwill written off/ not show in the books)	xx	xx	xx	By General Reserve	xx	xx	—
				By cash / bank A/ c (Capital inv)	—	—	xx
				By goodwill (Raised)	xx	xx	—
To Revaluation A/c (Loss on Rel)	xx	xx	—	By Revaluation A/c (Profit on Rel)	xx	xx	—
	xx	xx	xx	By Sunil panda sir	xx	xx	xx

# Calculation Of Goodwill

## Average profit Method



- 1) Average Profit
- 2) Goodwill

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## Super Profit Method



- 1) Average Profit
- 2) Normal Profit
- 3) Super profit
- 4) Goodwill



# 1) Average profit Method

👉 Average profit = 
$$\frac{\text{Total profit.}}{\text{Total No. of Years}}$$

👉 Goodwill = Average profit  $\times$  No of years purchase

Q1) . 1st Year profit ₹ 50,000.      2nd year loss ₹ 30,000  
3rd year profit ₹ 50,000.      4th year profit ₹ 1,30,000  
Number of years purchase = 2 years.

Avg Profit = 
$$\frac{50000 - 30000 + 50000 + 130000}{4} = \frac{200000}{4}$$
  
$$= ₹ 50,000$$

Goodwill = 
$$₹ 50000 \times 2 \text{ years}$$
  
$$= ₹ 100000$$

Q2) 1st year profit ₹ 50,000.  
2nd year profit ₹ 80,000.  
5th year loss ₹ 10,000.

3rd year profit ₹ 1,20,000  
4th year profit ₹ 2,60,000  
No. Years purchase 3 years

## 2) Super Normal Profit Method

👉 Average profit = 
$$\frac{\text{Total profit.}}{\text{Total No. of Years}}$$

👉 Normal Profit = Capital Employed  $\times$  
$$\frac{\text{Normal Rate of Return} \downarrow \text{NRR}}{100}$$

👉 Super profit = Average profit - Normal Profit

👉 Goodwill = Super profit  $\times$  No of years purchase

Q1. 1st Year profit ₹ 50,000. 2nd year loss ₹ 30,000. 3rd year profit ₹ 50,000  
4th year profit ₹ 1,30,000. Number of years purchase = 2 years.  
Capital Employed = ₹ 2,00,000. Normal Rate of Return = 10%

$$\textcircled{1} \text{ Avg Profit} = \frac{\text{Total Profit}}{\text{No. of Years}}$$

$$\frac{50000 - 30000 + 50000 + 130000}{4} = 50000$$

$$\textcircled{2} \text{ Normal Profit} = \text{Capital Employed} \times \frac{\text{NRR}}{100}$$

$$\frac{200000 \times 10}{100} = 20000$$

$$\textcircled{3} \text{ Super Profit} = \text{Avg Profit} - \text{Normal Profit}$$

$$50000 - 20000 = 30000$$

$$\textcircled{4} \text{ Goodwill} = \text{Super Profit} \times \text{No. of Yr. Purchase}$$

$$30000 \times 2$$

$$60000$$

Q2

Years.	Profit / loss	Capital Employed ₹ 50,000
1.	2,00,000	NRR 10%
2.	3,00,000	Number of year purchase
3.	50,000	3 years
4.	50,000	
5.	(1,00,000)	

Q3) Average profit method

X, Y are partners sharing profit and losses in the ratio 2:1 and Z admitted as a new partner with 1/5 future share findout goodwill of new partner.

Profit ₹ 5000.      ₹ 15,000.      ₹ 30,000.      ₹ 40,000

No. Of Years purchase 2 years

$$\text{Avg Profit} = \frac{\text{Total Profit}}{\text{No. of years}}$$

$$\frac{5000 + 15000 + 30000 + 40000}{4} = \frac{90000}{4} = 22500$$

$$\text{Goodwill} = \text{Avg Profit} \times \text{No. of years purchase}$$

$$22500 \times 2$$

$$\text{Total firm Goodwill} = 45000$$

$$\text{New Partner (Z) Goodwill} = 45000 \times \frac{1}{5} = 9000$$

# Journal Entries (goodwill)

Goodwill Amount  
Bring in Cash

Goodwill Amount  
Raised

## 1) Bring in cash

Cash / Bank A/c .....Dr.  
To Goodwill A/c

रोकडा नही तो ENTRY नही

## 2) Goodwill Amount Raised

Goodwill A/c .....Dr.  
To Old Partner Capital A/c

S.R. = O.R.

## 2) Goodwill Amount Raised

Goodwill A/c .....Dr.  
To Old Partner Capital A/c

## 3) Goodwill Amount Withdrawn

Old partner capital A/c .....Dr.  
To Cash/ bank A/c

Actual Amount

## 3) Goodwill Amount written off / Not show in the books of account

All partner capital A/c .....Dr.  
To Goodwill A/c

(In ledger Accounts)

# Goodwill Bring In Cash

## 1st Effect

Partner Capital A/c



Cr. Side



By Goodwill A/c

## 2nd Effect

Balance Sheet



Assets side



+ With Cash / Bank

**Withdrawal**

## 1st Effect

Balance Sheet



Assets side



(---) From Cash / Bank

## 2nd Effect

Partner Capital A/c



Dr. Side



To Cash / Bank A/c

# Goodwill Not Bring In Cash / Goodwill Raised

## 1st Effect

Partner Capital A/c



Cr. Side



By Goodwill A/c

## 2nd Effect

Written Of / Not Show  
In books Of Account

OR

Written Of / Not Show  
In books Of Account

कुछ नहीं  
बोला है तो



दोनों में से कोई  
एक आयागा

कुछ बोला  
है तो



Balance Sheet



Assets side



Goodwill लिखेंगे

Partner Capital A/c



Dr. Side



To Goodwill A/c



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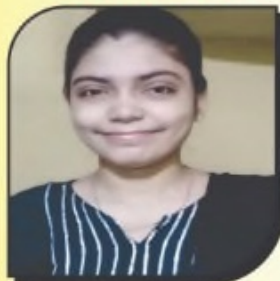
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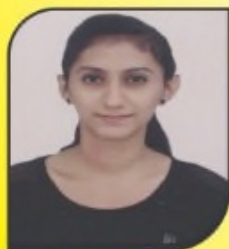
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