

12th Board Exam 2026 | Accountancy (Bookkeeping)

Important Questions | HSC Commerce

- Q. 7.** Rajan and Rohit are partners in partnership firm sharing profits and losses equally. You are required to prepare Profit and Loss Account for the year ended 31st March 2020 and Balance Sheet as on that date with the help of following information : **[12]**

Trial Balance as on 31st March 2020

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Insurance	30,000	Capital Account:	
Land and Building (Addition of ₹ 40,000 w.e.f. 1st July 2019)	1,00,000	Rajan	1,00,000
Salaries	10,000	Rohit	1,00,000
Export Duty	5,000	10% Bank loan (taken on 1st October 2019)	60,000
Interest	2,000	Bills payable	19,000
Furniture	80,000		
Debtors	52,000		
	2,79,000		2,79,000

Additional information :

- (1) Gross profit amounted to ₹ 69,000.
- (2) Insurance paid for 15 months w.e.f. 1st April 2019.
- (3) Depreciate land and building at 10% p.a. and furniture at 5% p.a.
- (4) Write off ₹ 2,000 for bad debts and maintain R.D.D. at 5% on sundry debtors.
- (5) Closing stock is valued at ₹ 69,000.



- Q. 7.** Mama and Kaka are partners in partnership firm sharing profits and losses equally. You are required to prepare Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date: **[12]**

Trial Balance as on 31st March, 2019

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Insurance	30,000	Capital Accounts :	
Land and Building		Mama	1,00,000
(Addition of ₹ 40,000		Kaka	1,00,000
w.e.f. 1st July, 2018)	1,00,000	10% Bank loan	
Salaries	10,000	(taken on	
Export duty	5,000	1st Oct.,2018)	60,000
Interest	2,000	Interest	3,000
Furniture	80,000	Bills payable	16,000
Debtors	52,000		
	2,79,000		2,79,000

Adjustments :

- (1) Gross profit amounted to ₹ 69,000.
- (2) Prepaid insurance ₹ 7,500.
- (3) Depreciate Land and Building at 10% p.a. and Furniture at 5% p.a.
- (4) Write off ₹ 2,000 for bad debts and maintain R.D.D. at 5% on sundry debtors.
- (5) Closing stock is valued at ₹ 69,000.



- Q. 7.** Varsha and Harsha are partners sharing profits and losses in their capital ratio. You are required to prepare Trading Account, Profit and Loss Account for the year ending 31st March, 2020 and Balance sheet as on that date :

[12]

Trial Balance as on 31st March, 2020

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Sundry Debtors	56,000	Sales	2,40,000
Purchases	1,10,000	Sundry Creditors	99,600
Plant and Machinery	1,60,000	Purchase Return	2,000
Furniture	1,05,800	Capital Accounts :	
Salaries	8,600	Varsha	1,80,000
Sales Return	1,000	Harsha	60,000
Cash in hand	1,02,000	Current Accounts :	
Opening Stock	35,600	Varsha	10,000
Rent, Rates & Taxes	9,000	Harsha	6,000
Advertisement	9,600		
	5,97,600		5,97,600

Adjustments :

- (1) Stock on 31st March, 2020 was valued at ₹ 74,000.
- (2) Depreciation on Plant and Machinery @ 5% p.a.
- (3) Partners are entitled to get Interest on Capital at 5% p.a.
- (4) Outstanding expenses : Salaries ₹ 700.
- (5) Provide further Bad debts of ₹ 1,680 on Sundry debtors.



- Q. 7.** Asha and Nisha are partners sharing profits and losses in equal ratio. From the following Trial Balance and adjustments you are required to prepare Final Accounts : **[12]**

Trial Balance as on 31st March, 2019

Debit Balance	Amount ₹	Credit Balance	Amount ₹
Purchases	48,000	Capital accounts:	
Salaries	7,500	Asha	80,000
Wages	2,800	Nisha	40,000
Advertisement	4,000	Bank Overdraft	34,000
(2 years)		Sales	1,48,000
Sales Return	8,000	R. D. D.	1,200
Motor Van	63,000	Purchase Return	6,000
Stock (1.4.2018)	94,500		
Coal, Gas and Fuel	1,000		
Plant and machinery	17,600		
	3,09,200		3,09,200

Adjustments :

- (1) Closing stock is valued at cost price ₹ 88,000 and market price ₹ 90,000.
- (2) Asha and Nisha withdrew goods from business ₹ 3,000 and ₹ 2,000 respectively for their personal use.
- (3) Depreciate Motor Van by 5% and Plant and Machinery by 7%.
- (4) Reserve for Doubtful debts on Debtors at 5% is to be created.
- (5) Outstanding Wages ₹ 800.



- Q. 6.** Dr. Anish Korgaonkar started practice of Medical Practitioner on 1st April, 2019. He gives you the Receipts and Payments Account for the year ended 31st March, 2020 and the adjustments. **[12]**

Prepare Income and Expenditure Account for the year ended 31st March, 2020 and Balance Sheet as on that date :

Dr. Anish Korgaonkar
Receipts and Payments Account
Dr. for the year ended 31st March, 2020 Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Cash introduced	50,000	By Furniture	16,000
To Visit fees	20,000	By Equipment	20,000
To Receipts from		By Drugs	14,000
dispensary	60,000	By Salaries	24,000
To Sundry receipts	10,000	By Rent	12,000
		By Conveyance	8,000
		By Stationery	1,000
		By Electrical charges	10,000
		By Journals	1,000
		By Drawings	30,000
		By Balance c/d	4,000
	1,40,000		1,40,000

Additional information :

- (1) Receipts in arrears are visit fees ₹ 4,000 and dispensary ₹ 1,000
- (2) Outstanding expenses - Rent ₹ 1,000 and Salaries ₹ 2,000.
- (3) Stock of drugs ₹ 2,000
- (4) Depreciate furniture @ 8% p.a. and equipment ₹ 1,000.
- (5) 40% of the conveyance expenses are for domestic use.



- Q. 6.** Given below is the Balance Sheet of 'Bhanubai Mahila Seva Kendra' as on 1st April 2019 and Receipts and Payments account for the year ending 31st March 2020: **[12]**

Balance Sheet as on 1st April 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital fund:	40,000	Machinery	10,000
		Furniture	20,000
Outstanding		Government	
Expenses:		Bonds	6,500
Wages	8,000	Outstanding	
Electricity	7,000	Subscription	8,500
Stationery	1,000	Cash at bank	10,000
		Cash in hand	1,000
	56,000		56,000

**Receipts and Payments Account
for the year ended 31st March 2020**

Dr.

Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Electricity	
Cash in hand	1,000	Charges	25,000
Cash at bank	10,000	By Wages	22,000
To Subscription		By Stationery	3,000
2018-2019	2,000	By Rent and	
2019-2020	45,000	Taxes	11,800
2020-2021	3,000	By Travelling	
	<u>50,000</u>	Expenses	8,000
To Entrance fees	28,000	By Balance c/d –	
To Other receipts	5,000	Cash in hand	4,000
		Cash at bank	20,200
	94,000		94,000



Additional information :

- (1) Outstanding wages ₹ 450
- (2) Entrance fees should be capitalised.
- (3) Depreciate furniture at 10% p.a.
- (4) Subscription for 2019-20 was outstanding ₹ 3,000

Prepare :

- (a) Income and Expenditure account for the year ended 31st March 2020.
- (b) Balance Sheet as on 31st March 2020.



- Q. 6. From the following Receipts and Payments Account of Shahu College, [12]
Kolhapur for the year ending 31st March, 2020 and additional
information, prepare Income and Expenditure Account for the year
ended 31st March, 2020 and Balance Sheet as on that date :

Receipts and Payments Account

Dr. for the year ended 31st March, 2020 Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Salaries	11,77,500
Cash	6,000	By Printing and Stationery	13,500
Bank	1,00,000	By Books	44,000
To Interest	30,000	By Furniture	39,000
To Donation	3,50,000	By Drama Expenses	45,000
To Tution fees	9,50,000	By Postage	3,500
To Admission fees	32,500	By Telephone Charges	3,000
To Drama receipts	50,000	By Electricity	30,500
To Rent from use of hall	3,000	By Magazine and Newspapers	3,000
To Legacies (Capital)	30,000	By Balance c/d	
		Cash	31,000
		Bank	1,61,500
	15,51,500		15,51,500



Additional information :

- (1) Outstanding Salaries ₹ 35,000.
- (2) 60% of donations are for Building Fund and Balance is to be treated as revenue income.
- (3)

Particulars	1-4-2019 (₹)	31-3-2020 (₹)
Capital fund	3,05,500	?
Building fund	4,13,500	?
Furniture	1,63,000	1,50,000
Books	4,50,000	4,44,000



- Q. 6. From the following Receipts and Payments Account of "Matsyodari Engineering College, Aurangabad" for the year ending on 31st March, 2020 and additional informations, prepare Income and Expenditure Account for the year ending 31st March, 2020 and Balance Sheet as on that date : [12]

Receipts and Payments Account
Dr. for the year ended 31st March, 2020 Cr.

Receipts	Amount (₹)	Payments	Amount(₹)
To Balance b/d		By Salaries to	
Cash in hand	8,000	Teaching Staff	10,00,000
Cash at bank	1,00,000	By Electricity charges	50,000
To Interest	50,000	By Books	64,000
To Subscription	30,000	By Furniture	55,000
To Life Membership Fees	40,000	By Stationary	24,000
To Donation	5,00,000	By Fixed Deposit	7,00,000
To Tution fees	11,50,000	By Balance c/d	
To Term fees	2,00,000	Cash in hand	20,000
To Sundry Receipts	10,000	Cash at Bank	2,25,000
To Admission Fees (Revenue)	50,000		
	21,38,000		21,38,000

Additional information :

Particulars	01.04.2019	31.03.2020
Books	7,00,000	7,00,000
Furniture	3,19,000	3,00,000
Building fund	10,00,000	?
Fixed Deposit	9,10,000	?
Capital Fund	10,37,000	?

Adjustments :

- (1) 50% Donations are for Building fund and the balance is to be treated as Revenue Income.
- (2) Outstanding subscription ₹ 5,300.
- (3) Life Membership fees are to be capitalised.



- Q. 2.** Mr. Deepak and Mr. Abhishek were in partnership sharing profits and losses in the proportion of 3 : 1 respectively. Their Balance Sheet as on 31st March 2019 stood as follows : **[10]**

Balance Sheet as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account:		Land and Building	32,000
Mr. Deepak	1,20,000	Plant and Machinery	60,000
Mr. Abhishek	40,000	Furniture	22,000
General Reserve	16,000	Stock	40,000
Sundry Creditors	80,000	Sundry Debtors	64,000
Bank Overdraft	42,000	Cash	80,000
	2,98,000		2,98,000

They admitted Adinath into partnership on 1st April 2019 on the terms being that –

- (1) He shall have to bring in ₹ 40,000 as his capital for 1/5 share in future profits and ₹ 20,000 as his share of goodwill.
- (2) Furniture to be depreciated by 20%.
- (3) Stock should be appreciated by 10%.
- (4) Building should be appreciated by 5%.
- (5) A provision for 5% R.D.D. to be created on sundry debtors.
- (6) Capital account of all partners be adjusted in their new profit sharing ratio through cash account.

Prepare : (a) Revaluation Account
 (b) Partners' Capital Account
 (c) New Balance Sheet of the firm.

Given below is a Balance Sheet of Aditya, Ajinkya and Arun who were partners in a firm sharing profits and losses in the ratio 5 : 3 : 2

Their Balance Sheet as on 31st March 2020 was as follows :

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	10,450	Cash	3,800
Reserve Fund	7,500	Debtors	9,000
Capital Account:		Stock	8,750
Aditya	21,000	Machinery	50,000
Ajinkya	18,500	Furniture	2,500
Arun	16,600		
	74,050		74,050

On 1st April 2020 Arun retired on the following terms –

- (1) Goodwill of the firm will be raised in the books at ₹ 10,000.
- (2) Stocks to be reduced by 10%, furniture by 5% and Machinery by 10%
- (3) R.B.D.D. be maintained at 5% on debtors.
- (4) ₹ 100 to be written off from creditors.
- (5) All the amount due to Arun transferred to his loan account.

Prepare : (a) Profit and Loss adjustment account.
 (b) Partners' Capital Account.
 (c) Balance Sheet of the new firm.



- Q. 2.** Seeta and Geeta share profits and losses in the ratio of **[10]**
3 : 2 in Partnership Firm. Their Balance Sheet as on 31st
March, 2020 was as under :

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :		Bank	11,250
Seeta 22,500		Bills Receivable	5,700
Geeta 18,000	40,500	Debtors 31,200	
Creditors	18,750	(-) R.D.D. 1,200	30,000
Bills payable	15,000	Stock	18,000
Bank Loan	24,000	Furniture	7,050
General Reserve	3,750	Machinery	7,500
		Building	22,500
	1,02,000		1,02,000

On 1st April, 2020 they admitted Reeta on the following terms :

- (1) For half ($\frac{1}{2}$) share in future profit Reeta should bring ₹ 15,000 as capital and ₹ 7,500 for goodwill in cash.
 - (2) Furniture should be appreciated up to ₹ 8,025 and building be appreciated by 20%.
 - (3) R.D.D. is to be maintained at ₹ 1,500.
 - (4) The stock is to be reduced by 10% and machinery depreciated by 5%.
 - (5) Half of amount of goodwill is withdrawn by old partners.
- Pass the necessary Journal Entries in the books of the firm.



The balance sheet of Shivshakti Traders, Mumbai is as follows. Partners share profit and losses as 5 : 2 : 3.

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Bank	18,600
Bills payable	1,800	Debtors	25,200
General Reserve	21,000	(-) R.D.D.	1,200
Capital Accounts :			
Raj	54,000	Stock	30,600
Rahul	48,000	Building	60,000
Nitin	26,400	Plant and Machinery	48,000
	1,81,200		1,81,200

Rahul retired from the business on 1st April, 2020 on the following terms :

- (1) The assets were revalued as under :
 - (i) Plant and Machinery is to be depreciated by 10%.
 - (ii) R.D.D. is to be increased upto ₹ 1,500.
 - (iii) Building is appreciated by 10%.
 - (iv) Stock at ₹ 42,000.
- (2) The goodwill of retiring partner is valued at ₹ 12,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5 : 3.
- (3) Amount due to Rahul at the time of retirement is to be transferred to his loan account.

Prepare :

- (a) Profit and Loss Adjustment Account
- (b) Partners' Capital Account
- (c) Balance Sheet of the New firm.



- Q.2.** The following is the Balance sheet of partners Aditya and Chaitanya on 31st March, 2019, they share profits and losses in the ratio of 3 : 2 : [10]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	60,000	Building	30,000
Capital Accounts :		Furniture	1,800
Aditya	42,000	Machinery	42,000
Chaitanya	42,000	Stock	24,600
Current Accounts :		Debtors	54,000
Aditya	7,500	Cash	6,000
Chaitanya	6,900		
	1,58,400		1,58,400

Adjustments :

They admitted Sachin into partnership on 1st April, 2019 on the following terms :

- (1) Building to be valued at ₹ 36,000, machinery and furniture to be reduced by 10%.
- (2) Sachin should pay ₹ 6,000 as his share of Goodwill. 50% of goodwill withdrawn by partners in cash.
- (3) A provision of 5% on debtors to be made for doubtful debts.
- (4) He should bring ₹ 18,000 as capital for 1/4th share in future profit.
- (5) Stock is to be taken at the value of ₹ 30,000.

Prepare :

- (a) Profit and Loss Adjustment Account
- (b) Partners' Current Account.
- (c) Balance Sheet of the New Firm.



Given below is the Balance sheet of Amar, Akbar and Anthony who were sharing profits and losses equally :

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	31,000	Cash	39,000
General Reserve	24,000	Debtors	32,000
Capital Accounts :		Less: R.D.D.	4,000
Amar	57,400	Furniture	30,000
Akbar	63,600	Machinery	80,000
Anthony	60,000	Motor Car	50,000
		Profit and Loss A/c	9,000
	2,36,000		2,36,000

Amar retired on 1st April, 2020 from the firm on the following terms :

- (1) Furniture to be valued at ₹ 28,000, Machinery ₹ 76,000 and Motor car ₹ 47,600.
- (2) R.D.D. to be maintained at 5% on debtors.
- (3) Goodwill of the firm is to be valued at ₹ 30,000. However, only Amar's share is to be raised in the books.
- (4) A part payment of ₹ 20,000 to be made to Amar and the balance to be transferred to his Loan Account.

Prepare :
 (1) Profit and Loss Adjustment A/c
 (2) Partners' Capital Account
 (3) Balance Sheet of the New firm.



- Q. 2. Ram and Shyam were in partnership sharing profits and losses [10]
in the proportion of 3 : 1 respectively. Their Balance sheet
as on 31st March, 2020 stood as follows :

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry creditors	80,000	Cash	80,000
Bills payable	42,000	Sundry debtors	64,000
Capital Accounts :		Land and Building	32,000
Ram 1,20,000		Stock	40,000
Shyam 40,000	1,60,000	Plant and Machinery	60,000
General Reserve	16,000	Furniture	22,000
	2,98,000		2,98,000

They admit Bharat into partnership on 1st April, 2020. The term being that :

- (1) He shall have to bring in ₹ 40,000 as his Capital for 1/5th share in future profit and ₹ 20,000 as his share of Goodwill.
- (2) A provision for 5% doubtful debts to be created on sundry debtors.
- (3) Stock should be appreciated by 5% and Land and Building be appreciated by 20%.
- (4) Furniture to be depreciated by 20%.
- (5) Capital Accounts of all partners be adjusted in their new profit sharing ratio through Cash Account.

Prepare :

- (a) Profit and Loss Adjustment Account
- (b) Partners' Capital Account.
- (c) Balance Sheet of the new firm.



Ajay, Vijay and Sanjay were partners sharing profits and losses in the ratio of 3 : 3 : 2. Their Balance Sheet as on 31st March, 2020 is as follows :

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	32,700	Bank	19,800
Reserve fund	12,000	Stock	19,800
Capital Accounts :		Debtors	15,000
Ajay	33,000	Live Stock	30,000
Vijay	45,000	Plant and Machinery	62,100
Sanjay	24,000		
	1,46,700		1,46,700

On 1st April, 2020 Sanjay retired from the firm on the following terms :

- (1) R. D. D. is to be maintained at 10% on debtors.
- (2) ₹ 300 to be written off from creditors.
- (3) Goodwill of the firm is to be valued at ₹ 12,000, however, only Sanjay's share in it is to be raised in the book and written off immediately.
- (4) Assets to be revalued as : Stock ₹ 18,900, Plant and Machinery ₹ 60,000, Live Stock ₹ 30,600.
- (5) The amount payable to Sanjay to be transferred to his loan account after retirement :

Prepare : -

- 1) Revaluation Account.
- 2) Partners' Capital Account
- 3) Balance Sheet of the New firm.



Q. 5. Arun, Varun and Karun were partners in a business sharing profits and losses in the ratio of 2 : 2: 1 respectively. Their Balance sheet as on 31st March, 2019 was as under :

[8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	27,900
Arun	20,000	Investment	15,000
Varun	20,000	Furniture	8,000
Karun	10,000	Debtors	10,400
Creditors	16,000	Less : R. D. D.	400
Bank Loan	4,000	Bank	4,100
		Goodwill	5,000
	70,000		70,000

On 1st July, 2019 Karun died and the following adjustments were made :

- (1) All the debtors were considered as good.
- (2) Bank Loan were paid off.
- (3) Furniture was depreciated by ₹ 550.
- (4) Investments were sold out in the Market at 10% profit.
- (5) Goodwill of the firm was valued at ₹ 7,500. It was to be raised in the books.
- (6) Karun was entitled to get his share in the profit up to the date of his death. Profit for 2019-2020 was estimated at ₹ 5,000.
- (7) The amount due to Karun's Executor was paid by NEFT.

Prepare :

- (a) Profit and Loss Adjustment A/c
- (b) Partners' Capital Account
- (c) Balance sheet of New Firm.



- Q. 5. Anil, Sunil and Mohit were partners sharing profits and losses in the proportion of their capital. Their Balance Sheet as on 31st March, 2019 was as follows : [8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	80,000
Anil	60,000	Motor Lorry	40,000
Sunil	40,000	Debtors	32,000
Mohit	20,000	Less : R. D. D.	– 4,000
Creditors	50,000	Furniture	36,000
Outstanding Salary	6,000	Bank	28,000
Reserve fund	36,000		
	2,12,000		2,12,000

Mohit died on 1st August, 2019 and the following adjustments were made :

- (1) Assets to be revalued as under :
 - Land and Building ₹ 88,000
 - Motor Lorry ₹ 36,000
 - Furniture ₹ 34,000
- (2) All debtors were good.
- (3) Goodwill of the firm valued at two times the average profit of last 4 years' profit.
- (4) Mohit's share of profit to be calculated on the basis of average profit of the last three years.
- (5) Profit for four years 1st year ₹ 12,000, 2nd year ₹ 24,000, 3rd year ₹ 14,000, 4th year ₹ 22,000.

Prepare :

- (a) Mohit's capital account showing amount payable to his executor.
- (b) Give working note of Mohit's share of goodwill and profit up to the date of his death.



- Q. 5.** Mahendra, Surendra and Narendra were partners sharing profits and losses in the ratio of 5 : 3 : 2 respectively. Their Balance Sheet as on 31st March 2019 was as follows : [8]

Balance Sheet as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account:		Stock	17,000
Mahendra	23,000	Furniture	18,000
Surendra	15,000	Land and Building	16,000
Narendra	12,000	Bank	37,000
Bills Payable	2,000		
Creditors	8,000		
Bank Loan	12,000		
General Reserve	16,000		
	88,000		88,000

Mr. Narendra died on 30th June 2019 and the following adjustments were agreed as per deed :

- (1) Stock, furniture, land and building are to be revalued at ₹ 16,700, ₹ 16,200 and ₹ 30,100 respectively.
- (2) Narendra's share in goodwill is to be valued from firm's goodwill which was valued at 3 times of the average profit of last four years. Profit of the last four years :
 - I year — ₹ 30,000
 - II year — ₹ 25,000
 - III year — ₹ 25,000
 - IV year — ₹ 40,000
- (3) His profit up to the death is to be calculated on the basis of profit of last year.
- (4) Narendra was entitled to get a salary of ₹ 1,200 per month.
- (5) Interest on capital at 10% p.a. to be allowed.
- (6) Narendra's drawing up to the date of his death was ₹ 900 per month.

Prepare :

- (A) Narendra's Capital Account showing amount payable to his executor.
- (B) Give working notes for :
 - (i) Share of goodwill due to Narendra
 - (ii) Share of profit due to Narendra.



Q. 5. Suresh, Naresh and Paresh were equal partners. On 31st March, 2019 their Balance Sheet was as follows :

[8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	2,00,000
Suresh	2,50,000	Furniture	1,50,000
Naresh	1,00,000	Debtors	1,50,000
Paresh	1,00,000	Cash	1,00,000
Sundry creditors	1,50,000		
	6,00,000		6,00,000

Suresh died on 30th June, 2019 and the following adjustments were agreed as :

- (1) Furniture was to be adjusted to its market price of ₹ 1,70,000.
- (2) Land and building was to be depreciated by 10%.
- (3) Provide R.D.D. at 5% on debtors.
- (4) The profit up to the date of death of Suresh is to be calculated on the basis of average profit of last year which was ₹ 90,000.

Prepare :

- (a) Profit and loss adjustment account.
- (b) Partners' capital account.
- (c) Balance sheet of the continuing firm.



- Q. 3.** Sharmila, Urmila and Leela are partners in the firm 'Jeevan Stores' sharing profit and losses in the ratio of 2 : 2 : 1 respectively. On 31st March 2020, they decided to dissolve the firm when their Balance Sheet was as under. **[10]**

Balance Sheet as on 31st March 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account:		Goodwill	45,600
Sharmila	2,27,160	Machinery	73,000
Urmila	1,44,000	Motor car	1,67,600
Leela	1,08,000	Building	1,02,000
Creditors	28,800	Investment	62,400
Bills Payable	21,600	Debtors	30,600
		Stock	45,000
		Bank	3,360
	5,29,560		5,29,560

The firm was dissolved on the above date and the assets were realised as under :

- (1) Sharmila agreed to take over the building at ₹ 1,23,600.
- (2) Urmila took over goodwill, stock and debtors at book values and agreed to pay creditors and bills payable.
- (3) Motor car and Machinery were realised at ₹ 1,51,080 and ₹ 31,680 respectively.
- (4) Investments were taken by Leela at an agreed value of ₹ 55,440.
- (5) Realisation expenses amounted to ₹ 6,800.

Prepare :

- (a) Realisation Account
- (b) Partners' Capital Account
- (c) Bank Account



- Q. 3.** Lal, Bal and Pal were partners sharing profits and losses in the ratio of 2 : 2 : 1. The following is the Balance Sheet as on 31st March, 2020. **[10]**

Balance Sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital Accounts :		Machinery		50,000
Lal	60,000	Investment		24,000
Bal	20,000	Debtors	55,000	
Pal	20,000	(-) R.D.D.	3,000	52,000
General reserve	6,000	Stock		20,000
Creditors	48,000	Profit and Loss A/c		18,000
Bills payable	14,000	Bank		4,000
	1,68,000			1,68,000

On the above date the partners decided to dissolve the firm.

- (1) Assets were realised as under :

Machinery	₹ 45,000
Stock	₹ 18,000
Investment	₹ 21,000
Debtors	₹ 45,000

- (2) Dissolution expenses were ₹ 3,000.
 (3) Goodwill of the firm realised ₹ 24,000.

Prepare :

- (a) Realisation Account
- (b) Partners' Capital Account
- (c) Bank Account



- Q. 3. Asha, Usha and Nisha are partners in the firm sharing profits and losses in the ratio of 3: 2 : 1 respectively. On 31st March, 2019 they decided to dissolve the firm when their Balance Sheet was as under : [10]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	28,800	Building	1,02,000
Bills Payable	21,600	Machinery	73,000
Capital Accounts		Motor Car	1,67,600
Asha	2,27,160	Goodwill	45,600
Usha	1,44,000	Investment	62,400
Nisha	1,08,000	Debtors	30,600
		Stock	45,000
		Bank	3,360
	5,29,560		5,29,560

The firm was dissolved on the above date and the assets realised as under :

- (1) Asha agreed to take over the Building at ₹ 1,23,600.
- (2) Usha took over Goodwill, Stock and Debtors at book value and agreed to pay Creditors and Bills payable.
- (3) Motor car and Machinery realised at ₹ 1,51,080 and ₹ 31,680 respectively.
- (4) Investment were taken by Nisha at an agreed value of ₹ 55,440.
- (5) Realisation Expenses amounted to ₹ 6,800.

Prepare :

- (a) Realisation Account
- (b) Partners' Capital Account
- (c) Bank Account



- Q. 3.** Hema, Manisha and Limsy were in partnership firm sharing profits and losses in the ratio of 5 : 3: 2. They decided to dissolve their partnership firm on 31st March 2019 and their Balance sheet as on that date stood as : [10]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Machinery	1,00,000
Hema	1,50,000	Debtors	50,000
Manisha	80,000	Stock	70,000
Reserve Fund	10,000	Cash at bank	30,000
Sundry Creditors	20,000	Limsy Capital A/c	20,000
Bills payable	10,000		
	2,70,000		2,70,000

The firm was dissolved on 31st March, 2019 and assets were realised as under :

- (1) Machinery realised 60% of its book value.
- (2) Out of debtors, Mr. Jagdish, our customer for ₹ 20,000 was declared insolvent and nothing could be recovered from him. Other debtors are good and recovered and realised.
- (3) Hema took stock at an agreed value of ₹ 50,000.
- (4) Creditors and Bills payable were paid at 10% discount.
- (5) Limsy became insolvent and nothing was recovered from her estate.

Prepare :

- (a) Realisation Account
- (b) Partners' Capital Account
- (c) Bank Account





- Q. 5. Anil, Sunil and Mohit were partners sharing profits and losses in the proportion of their capital. Their Balance Sheet as on 31st March, 2019 was as follows : [8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	80,000
Anil	60,000	Motor Lorry	40,000
Sunil	40,000	Debtors	32,000
Mohit	20,000	Less : R. D. D.	– 4,000
Creditors	50,000	Furniture	36,000
Outstanding Salary	6,000	Bank	28,000
Reserve fund	36,000		
	2,12,000		2,12,000

Mohit died on 1st August, 2019 and the following adjustments were made :

- (1) Assets to be revalued as under :
 - Land and Building ₹ 88,000
 - Motor Lorry ₹ 36,000
 - Furniture ₹ 34,000
- (2) All debtors were good.
- (3) Goodwill of the firm valued at two times the average profit of last 4 years' profit.
- (4) Mohit's share of profit to be calculated on the basis of average profit of the last three years.
- (5) Profit for four years 1st year ₹ 12,000, 2nd year ₹ 24,000, 3rd year ₹ 14,000, 4th year ₹ 22,000.

Prepare :

- (a) Mohit's capital account showing amount payable to his executor.
- (b) Give working note of Mohit's share of goodwill and profit up to the date of his death.



Q. 5. Arun, Varun and Karun were partners in a business sharing profits and losses in the ratio of 2 : 2: 1 respectively. Their Balance sheet as on 31st March, 2019 was as under :

[8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	27,900
Arun	20,000	Investment	15,000
Varun	20,000	Furniture	8,000
Karun	10,000	Debtors	10,400
Creditors	16,000	Less : R. D. D.	400
Bank Loan	4,000	Bank	4,100
		Goodwill	5,000
	70,000		70,000

On 1st July, 2019 Karun died and the following adjustments were made :

- (1) All the debtors were considered as good.
- (2) Bank Loan were paid off.
- (3) Furniture was depreciated by ₹ 550.
- (4) Investments were sold out in the Market at 10% profit.
- (5) Goodwill of the firm was valued at ₹ 7,500. It was to be raised in the books.
- (6) Karun was entitled to get his share in the profit up to the date of his death. Profit for 2019-2020 was estimated at ₹ 5,000.
- (7) The amount due to Karun's Executor was paid by NEFT.

Prepare :

- (a) Profit and Loss Adjustment A/c
- (b) Partners' Capital Account
- (c) Balance sheet of New Firm.



- Q. 5.** Suresh, Naresh and Paresh were equal partners. On 31st March, 2019 their Balance Sheet was as follows : [8]

Balance Sheet as on 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Land and Building	2,00,000
Suresh	2,50,000	Furniture	1,50,000
Naresh	1,00,000	Debtors	1,50,000
Paresh	1,00,000	Cash	1,00,000
Sundry creditors	1,50,000		
	6,00,000		6,00,000

Suresh died on 30th June, 2019 and the following adjustments were agreed as :

- (1) Furniture was to be adjusted to its market price of ₹ 1,70,000.
- (2) Land and building was to be depreciated by 10%.
- (3) Provide R.D.D. at 5% on debtors.
- (4) The profit up to the date of death of Suresh is to be calculated on the basis of average profit of last year which was ₹ 90,000.

Prepare :

- (a) Profit and loss adjustment account.
- (b) Partners' capital account.
- (c) Balance sheet of the continuing firm.



- Q. 5. Mahendra, Surendra and Narendra were partners sharing profits and losses in the ratio of 5 : 3 : 2 respectively. Their Balance Sheet as on 31st March 2019 was as follows : [8]

Balance Sheet as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account:		Stock	17,000
Mahendra	23,000	Furniture	18,000
Surendra	15,000	Land and Building	16,000
Narendra	12,000	Bank	37,000
Bills Payable	2,000		
Creditors	8,000		
Bank Loan	12,000		
General Reserve	16,000		
	88,000		88,000



Mr. Narendra died on 30th June 2019 and the following adjustments were agreed as per deed :

- (1) Stock, furniture, land and building are to be revalued at ₹ 16,700, ₹ 16,200 and ₹ 30,100 respectively.
- (2) Narendra's share in goodwill is to be valued from firm's goodwill which was valued at 3 times of the average profit of last four years. Profit of the last four years :
I year – ₹ 30,000
II year – ₹ 25,000
III year – ₹ 25,000
IV year – ₹ 40,000
- (3) His profit up to the death is to be calculated on the basis of profit of last year.
- (4) Narendra was entitled to get a salary of ₹ 1,200 per month.
- (5) Interest on capital at 10% p.a. to be allowed.
- (6) Narendra's drawing up to the date of his death was ₹ 900 per month.

Prepare :

- (A) Narendra's Capital Account showing amount payable to his executor.
- (B) Give working notes for :
 - (i) Share of goodwill due to Narendra
 - (ii) Share of profit due to Narendra.

