

J. K. SHAH CLASSES

SYJC - ACCOUNTS

QUESTION PAPER
Total Marks: 40

Date: 18 /09 /2016
Total time: 2 hour 30 minutes

SOLUTION

Ans.1.

Revaluation A/c

Dr.			Cr.		
Particulars	Amt. ₹	Amt. ₹	Particulars	Amt. ₹	Amt. ₹
To Furniture A/c		1,000	By Stock A/c		6,000
To Profit on Revaluation transferred to A's Capital (3/5)	4,800		By Creditors A/c		2,000
B's Capital A/c (2/5)	3,200	8,000	By Rent A/c		1,000
		9,000			9,000

Partner's Capital Account (3 : 2)

Dr.				Cr.			
Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To Profit and Loss A/c	12,000	8,000	—	By Balance b/d	80,000	60,000	—
To Balance c/d	98,000	72,000	24,000	By Cash/Bank A/c	—	—	24,000
				By Goodwill A/c	10,800	7,200	—
				By General Reserve	14,400	9,600	—
				By Revaluation A/c (Profit)	4,800	3,200	—
	1,10,000	80,000	24,000		1,10,000	80,000	24,000

Dr.

Balance sheet as on 1st April, 2012

Cr.

Liabilities	Amt. ₹	Amt. ₹	Assets	Amt. ₹	Amt. ₹
Capitals A/c's			Building		40,000
A	98,000		Furniture	20,000	
B	72,000		Less: Depreciation	1,000	19,000
C	24,000	1,94,000	Stock	24,000	
Creditors	32,000		Add: Appreciation	6,000	30,000
(-) unclaimed	2,000	30,000	Rent Receivable		1,000
			Cash /Bank		78,000
			Debtors	80,000	
			(-) Reserve for Bad debts	24,000	56,000
		2,24,000			2,24,000

Dr.		Cash A/c		Cr.	
Particular	Amt. ₹	Particular	Amt. ₹		
To Balance b/d	36,000	By Balance c/d	78,000		
To C's Capital A/c	24,000				
To Goodwill A/c	18,000				
	78,000				78,000

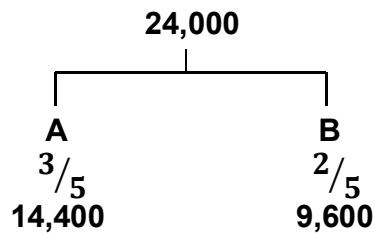
Dr.		Goodwill A/c		Cr.	
Particular	Amt. ₹	Particular	Amt. ₹		
To A's Capital A/c	10,800	By Cash A/c	18,000		
To B's Capital A/c	7,200				
	18,000				18,000

Working Note: 1

	A	B	C
Old Ratio	$\frac{3}{5}$	$\frac{2}{5}$	
New Partners Share			$\frac{1}{4}$
Sacrificing Ratio	$\frac{3}{5}$	$\frac{2}{5}$	

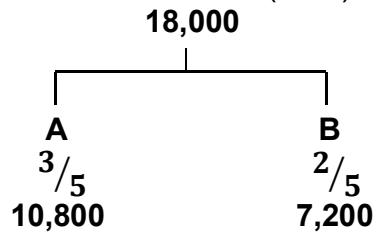
Working Note: 2

50% General Reserve Distribute among old partners in old ratio.



Working Note: 3

C's Share of Goodwill (Amt.) Distribute among old partners in sacrificing ratio.



Ans.2.

Profit and Loss Adjustment Account

Dr.		Cr.			
Particulars	Amt. ₹	Amt. ₹	Particulars	Amt. ₹	Amt. ₹
To Plant & Machinery		16,800	By Stock		5,000
To Profit transferred to Capital A/c			By Land & Building		10,000
A	50		By R.D.D		2,000
B	75				
C	75	200			
		17,000			17,000

Partner's Capital Account

Dr.							Cr.
Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To Goodwill	30,000	10,000	—	By Balance b/d	80,000	75,000	60,000
To C's Loan A/c	—	—	75,075	By Goodwill	10,000	15,000	15,000
To Balance c/d	60,050	80,075	—	By P & L Adjustment (Profit)	50	75	75
	90,050	90,075	75,075		90,050	90,075	75,075

Dr.	Balance Sheet of A, B & C as at 31 st March, 2012.				Cr.
Liabilities	Amt. ₹	Amt. ₹	Assets	Amt. ₹	Amt. ₹
Capital Account			Cash		1,000
A		60,050	Debtors		18,000
B		80,075	Stock	56,000	
C's Loan A/c		75,075	Add: Appreciation	5,000	61,000
Creditors		42,000	Plant & Machinery	84,000	
			Less: Depreciation	16,800	67,200
			Land & Building	1,00,000	
			Add: Appreciation	10,000	1,10,000
		2,57,200			2,57,200

Working Note: 1

	A	B	C
Old Ratio	$\frac{2}{8}$	$\frac{3}{8}$	$\frac{3}{8}$
New Ratio	$\frac{3}{4}$	$\frac{1}{4}$	—

Working Note : 2

Valuation of Goodwill

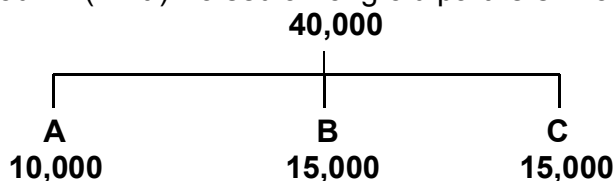
$$\begin{aligned}
 \text{Goodwill (Amt.)} &= \text{Average profit (5 years)} \\
 &= \frac{80,000 + 30,000 + 70,000 + 40,000 - 20,000}{5} \\
 &= 40,000
 \end{aligned}$$

Working Note : 3

$$\begin{aligned}
 \text{Goodwill (Amt.) Raised} &= \text{Total Value of Goodwill} - \text{Goodwill Value app in Balance sheet} \\
 &= 40,000 - 0 \\
 &= 40,000
 \end{aligned}$$

Working Note : 4

Goodwill (Amt.) Raised among old partners in old ratio.



Ans.3.

Profit and Loss Adjustment Account

Dr.		Cr.	
Particulars	Amt. ₹	Particular	Amt. ₹
To Plant & Machinery	4,500	By Stock	4,000
To X's Capital A/c	1,320	By Investment	3,000
To Y's Capital A/c	1,320	By R.D.D	800
To Z's Capital A/c (Profit transferred)	660		
	7,800		7,800

Partner's Capital Accounts

Dr.				Cr.			
Particulars	X (₹)	Y (₹)	Z (₹)	Particulars	X (₹)	Y (₹)	Z (₹)
To Investment	—	—	12,000	By Balance b/d	40,000	30,000	20,000
To Y's Legal heir's Loan	—	43,120	—	By Goodwill	10,000	10,000	5,000
To Balance c/d	51,320	—	13,660	By P& L Adj. A/c	1,320	1,320	660
				By P/L Suspense A/c	—	1,800	—
	51,320	43,120	25,660		51,320	43,120	25,660

Goodwill A/c

Dr.		Cr.	
Particulars	Amt. ₹	Particular	Amt. ₹
To A's Capital A/c	10,000	By A's Capital A/c	30,000
To B's Capital A/c	15,000	By B's Capital A/c	10,000
To C's Capital A/c	15,000		
	40,000		40,000

Dr. Balance Sheet of New Firm as on 1st July, 2012 Cr.

Liabilities	Amt. ₹	Amt. ₹	Assets	Amt. ₹	Amt. ₹
Capital :			Machinery	45,000	
X		51,320	Less: Depreciation	4,500	40,500
Z		13,660	Stock	22,000	
Y's Legal heir's Loan		43,120	Add: Appreciation	4,000	26,000
Creditors		18,000	Debtors		18,800
Bills Payable		22,000	Goodwill		25,000
			Cash	21,000	
			Add : Investment	15,000	36,000
			P/L Suspense A/c		1,800
		1,48,100			1,48,100

Working Note : 1

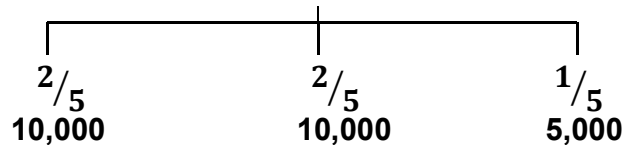
	X	Y	Z
Old Ratio	$\frac{2}{5}$	$\frac{2}{5}$	$\frac{1}{5}$

Working Note : 2

Goodwill (Amt.) Raised	=	Total Value of Goodwill	—	Goodwill Value app in Balance sheet
	=	25,000 — 0		
	=	25,000		

Working Note : 3

Goodwill (Amt.) Raised among old partners in old ratio
25,000

**Working Note : 4**

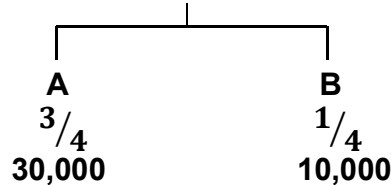
Date of Balance Sheet – 31/3/12
Date of Death – 30/6/12
IP – 3 mts.

Working Note : 5

Calculate Y's Share of Profit for IP (3mts.)

$$\begin{aligned} \text{Y's Share} &= \left(\frac{19,000 + 17,000}{2} \right) \times \frac{3}{12} \times \frac{2}{5} \\ &= 1,800 \end{aligned}$$

Goodwill (Amt.) w/off among . New Partners in New Ratio.
40,000

**Ans.4.**

In the books of M/s. A, B, C
Realisation Account

Dr.**Cr.**

Date	Particulars	Amt. ₹	Date	Particular	Amt. ₹
	To Plant and Machinery A/c	17,500		By Sundry Creditors A/c	20,500
	To Investment A/c	2,800		By R.D.D. A/c	1,000
	To Stock A/c	28,000		By A's Capital A/c	
	To Sundry Debtors A/c	18,000		(Plant and Machinery taken over)	17,500
	To Goodwill A/c	5,300		By Bank A/c	
	To Bank A/c (sundry Creditors)	20,500		Investment	3,000
	To Bank A/c (Contingent liabilities)	3,500		Stock	24,000
	To Bank (Realisation exp.)	400		Debtors	12,000
				By A's Capital A/c	9,000
				By B's Capital A/c	5,400
				By C's Capital A/c	
				(Loss on realisation)	3,600
		96,000			96,000

Partner's Capital Accounts

Dr.							Cr.
Particulars	A (₹)	B (₹)	C (₹)	Particulars	A (₹)	B (₹)	C (₹)
To Realisation A/c (Plant and Machinery)	17,500	—	—	By Balance b/d	18,000	8,000	3,500
To Realisation A/c (Loss)	9,000	5,400	3,600	By General Reserve	10,000	6,000	4,000
To Bank A/c (Final Payment)	1,500	8,600	3,900				
	28,000	14,000	7,500		28,000	14,000	7,500

Bank Account

Dr.			Cr.
Particulars	Amt. ₹	Particular	Amt. ₹
To Balance b/d	3,900	By Realisation A/c	20,500
To Realisation A/c (Realisation of Assets)	39,000	By Realisation A/c	3,500
		By Realisation A/c	400
		By B's Loan A/c	4,500
		By A's	1,500
		By B's	8,600
		By C's	3,900
	42,900		42,900

Loan Account

Dr.			Cr.
Particulars	Amt. ₹	Particular	Amt. ₹
To Bank A/c	4,500	By Balance b/d	4,500
	4,500		4,500
