

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Working note should form part of main answer
 4. Use of simple calculators is allowed

Q. 1.A. Multiple Choice Question (Any 8 out of 10)

08

- It is a _____ relationship between persons created through the partnership Act, 1932.
a) Natural b) Legal c) oral d) Faithfull.
- The partnership agreement can be _____ or written.
a) Oral b) Written as well as oral c) Registered d) unregistered
- To admit a new partner with consent to _____ partners.
a) Existing b) Majority c) Newly admitted d) One partner
- In absence of agreement, partners share profit on loss in _____.
a) capital ratio b) Equally c) Current Account ratio d) Time devoted for business.
- _____ number of partners allowed in case of Retail business.
a) maximum 10 b) maximum 20 c) minimum 50 d) minimum 10
- The minor partner cannot be personally liable to share ----- of the firm
a) commission b) profits c) losses d) none of above
- In Piecemeal Distribution, amounts realized from assets are distributed in the order _____.
a) Liquidation value b) Asset value c) Priority of claims d) Reverse chronological order
- The Excess Capital Method is applied where the partners have not contributed their capitals in the _____.
a) Required proportion b) Initial investment c) Equal ratio d) Last contribution
- Preferential Liabilities include Government dues like _____.
a) Employee salaries b) Property tax c) Sales tax d) Both b and c
- If two or more partners have given loans to the firm and the cash is insufficient for full payment, then the loans will be paid in the _____ ratio.
a) Equal b) Profit-sharing c) Capital contribution d) Agreed

Q. 1.B. State whether True or False (Any 7 out of 10)

07

- If creditors took over stock in full settlement of liabilities on amalgamation, Realization a/c is credited.
- On amalgamation of firms, unrecorded assets taken over by new firm, new firm a/c is debited.
- On amalgamation of firms, fictitious assets are transferred to the partner's capital a/c in their old ratio.
- On amalgamation of firms, sundry debtors transferred to Realization a/c at net amount [after deducting R.D.D]
- On amalgamation of firms, Profit & Loss a/c is opened to find out profit or loss due to dissolution of firm.
- On amalgamation of firms, Goodwill of amalgamated firm is written off in new profit-sharing ratio.
- The new firm records assets & liabilities taken over at book value, which were appearing in the books of old firms.
- Upon conversion the old partnership firm ceases to exist.
- A company is suitable for the business having large scale operations.
- Purchase consideration on conversion of a company is settled in shares and debentures only.

Q.P. Code: 00006412

Q. 2.A. Following is the Trial Balance Sumati & Co. of a firm as on 31st Dec. 2024

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Debit	Rs.	Credit	Rs.
Drawing:		Capital	
X	15,000	X	24,000
Y	7,500	Y	12,000
Z	1,500	Z (including Goodwill)	5,000
Furniture	10,500	Sales	1,80,000
Purchases	1,10,000	Creditors	13,500
Stock	25,000		
General Expenses	5,200		
Salary	12,000		
Rent & Rates	5,900		
Debtors	31,000		
Bank	10,900		
	2,34,500		2,34,500

Adjustments:

- 1) X and Y were partners sharing profits and losses equally.
 - 2) Mr. Z was admitted to the partnership on 1st July, 2024.
 - 3) On 31st December, 2024 stock was valued at Rs. 23,500.
 - 4) Rent & Taxes paid in advance Rs. 900.
 - 5) General Expenses were outstanding Rs. 750.
 - 6) Depreciate Furniture @ 10% p.a.
 - 7) Share of Goodwill of new partner was valued at Rs. 1,000 on 1st July, 2024 and is yet to be adjusted
 - 8) Interest on capital to be charged at the rate of 10% p.a.
- You are required to prepare Trading, Profit and Loss Account for the year ended on 31st December, 2024 and Balance sheet as of that date.

ORQ. 2.B. A, B were sharing in the ratio of 3:2 admitted C as on 1st Oct. 2022 for 1/6 share.

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Trial Balance as on 31st March 2022 was as under.

Particulars	Dr. Rs.	Cr. Rs.
<u>Capital A/c</u>		
A		2,00,000
B		1,50,000
C (1.10.2013)		2,00,000
Stock (01.04.13)	40,000	
Purchases (upto 30.09.13 Rs. 1,00,000]	2,50,000	
Sales (upto 30.09.13 Rs. 250000)		5,95,000
Salaries	20,000	
Rent	30,000	
Insurance (for the year 30.06.14)	12,000	
Bills Receivable	2,00,000	
Sundry Debtors / Sundry Creditors	1,10,000	40,000
Plant and machinery	4,00,000	
Wages [upto 30.13.08 Rs. 20,000]	50,000	
Commission [2% on sales]	6,000	
Land & Building	1,50,000	
Cash on bank	28,000	
General Reserve (1.04.13)	--	1,50,000
Bank overdraft	--	
Office Expenses	54,000	15,000
	13,50,000	13,50,000

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You are given following information

1. Stock as on 30th Sept. 13 Rs. 60,000 and as on 31.03.14 Rs. 125000
 2. Depreciate Land & Building @5% p.a. and Plant & Machinery @20% p.a.
 3. Plant includes, Plant costing Rs. 2, 00,000 purchased on 1st Jan. 2022.
 4. Salaries to Partner A-Rs.24, 000 p.a. & C Rs. 1,000 p.m.
 5. Rent was increased by Rs. 2,000 p.m. from 01.10.13.
 6. C's Capital includes Rs. 40,000 brought in as his share in Goodwill.
 7. Fixed Capital of Partners should be Rs. 6,00,000 in their Profit/Loss sharing ration.
- Prepare final Accounts of the firm.

Q. 3.A. Ramco & co were in partnership sharing profits and losses equally. They agreed to dissolve their 15 partnership on 30th June 2013. When their balance sheet was as under.

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Creditors		38,000	Bank		3,600
Capital			Debtors		69,000
A	60,000		Stock		75,400
B	45,000		Plant & Machinery		25,000
C	30,000	1,35,000			
		1,73,000			1,73,000

The realizations were as follows :-

	Debtors	Plant	Stock	Expenses
July	30,000	10,000	37,000	3,000
Aug	20,000	8,500	23,000	2,000
Sept	10,000	-	1,000	-

On 30th Sept remaining debtors amounting to Rs. 9,000/- were taken over by B at 50% of book value. Prepare statement showing Piecemeal Distribution of Cash.

OR

Q. 3.B. P, Q, and R were in business sharing profits and losses 3:4:5 they decided to dissolve their firm 1st 15 July 2013. Following is the Balance Sheet as on 1st July 2013.

Liabilities		Rs.	Assets	Rs.
Capital			Sundry Assets	36000
P	12,000			
Q	8,000			
R	4,000	24,000		
Sundry Creditors		10,000		
P's Loan		2,000		
		36000		36000

The amt realized were as follows.

15-Jul	31-Jul	15-Aug	31-Aug	06-Sep	30-Sep
5000	10000	5000	2000	6000	5000

Show a detail statement of piecemeal distribution of cash.

Q. 4.A. X Limited and Y Limited agreed amalgamate by transferring their undertakings to a new company 15 Z Company Limited formed for that purpose. On the date of amalgamation balance sheet of the company were as under:

Liabilities	X Co.₹	Y Co.₹	Assets	X Co.₹	Y Co.₹
Equity share capital			Sundry assets	4,80,000	3,22,000
Shares of ₹ 10 each	5,00,000	3,00,000	Freehold property	2,00,000	1,00,000
5% debentures	2,00,000	1,00,000	Investments	50,000	20,000
Reserve fund	-	50,000	Debtors	2,50,000	1,50,000
Profit and Loss Account	30,000	20,000	Preliminary expenses	20,000	8,000

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Mortgage Loan	50,000	-		
Sundry creditors	2,20,000	1,30,000		
	10,00,000	6,00,000	10,00,000	6,00,000

Additional information:

The Purchase consideration consisted of:

1. Discharge of debentures in X Company Limited and Y company limited by the issue of equivalent amount of 6% in Z Limited.
2. The assumptions of liabilities of the companies.
3. Issue of shares at a premium of rupees 2 per share of equity shares of ₹ 10 each in Z Limited.

For the purpose of amalgamation, the assets are to be revalued as under:

Particulars	X Co. ₹	Y Co. ₹
Goodwill	1,00,000	75,000
Sundry assets	4,10,000	2,80,000
Freehold property	2,60,000	1,40,000
Investments	51,000	20,000
Debtors	2,25,000	1,35,000

Prepare balance sheet of the new company.

OR

Q. 4.B. X Company Limited and Y Company Limited have agreed to amalgamate and to form a new company called Z Company Limited which has taken over both the companies as per their balance sheet given below:

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Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share capital Subscribed and paid up capital 50,000 shares of ₹ 10 each	5,00,000	8,00,000	Land and building	2,00,000	3,00,000
General Reserve	1,50,000	3,00,000	Plant & Machinery	1,50,000	2,50,000
P&L	50,000	1,00,000	Patent	-	1,50,000
Development Rebate Reserve	30,000	-	Furniture	50,000	50,000
Creditors	50,000	60,000	Investment	2,00,000	4,50,000
Bills Payable	20,000	40,000	Stock	90,000	1,20,000
Secured loan	-	1,50,000	Debtors	80,000	90,000
Unsecured Loan	-	50,000	Bank	30,000	90,000
	8,00,000	15,00,000		8,00,000	15,00,000

You are required to prepare balance sheet of new company.

Q. 5.A. Define partnership. what are the main features of partnership?

08

Q. 5.B. Explain the adjustments in accounts when a new partner is admitted.

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OR

Q. 5.C Short Notes: Attempt (Any 3 out of 5)

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- i. Profit and Loss Appropriation Account
- iv. Revaluation Assets

ii. Joint Life Policy

iii. Goodwill

v. Partnership Final Account

*****END*****