KENDRIYA VIDYALAYA SANGATHAN R.O BHOPAL
CBT -AUGUST -2023
CLASS-XIIC
SUBJECT-ACCOUNTANCY

MAXIMUM TIME-40 MINUTES **MAXIMUM MARKS-10**

Attempt All the Questions

<table>
<tr><td>Q. No.</td><td>Questions</td><td>Marks</td></tr>
<tr><td>1</td><td>X and Y were partners in a firm sharing profits in the ratio of 5 : 3. With effect from 1st April 2003 they agree to share profits equally. Calculate the individual partner's gain or sacrifice due to change in ratio.
(a) X Sacrifice 1/8 and Y gain 1/8
(b) X Sacrifice ¼ and Y gain ¼
(c) X Sacrifice 1/6 and Y gain 1/6
(d) X Sacrifice 1/5 and Y gain 1/5</td><td>1</td></tr>
<tr><td>Ans.1</td><td>(a)X Sacrifice 1/8 and Y gain 1/8

Explanation- Sacrificing Ratio = Old Ratio – New Ratio
Gaining Ratio = New Ratio – Old Ratio
Old Ratio of X & Y = 5 : 3
New Ratio of X & Y = 1 : 1
X's Sacrificing Ratio = 5/8 – ½ = 10- 8/16 = 2/16 or 1/8
Y's Gaining Ratio = ½ - 3/8 = 8 – 6/16 = 2/16 or 1/8</td><td>1</td></tr>
<tr><td>2</td><td>A and B are partners in a firm Sharing profits and losses in the ratio of 2 : 3 they decided to share future profits and losses equally with effect from 1st April 2008. An extract of their Balance Sheet as at 31st March 2008 is as follows:-
<table><tr><td>liabilities</td><td>Amount (Rs.)</td><td>Assets</td><td>Amount (Rs.)</td></tr><tr><td>Workmen Compensation Reserve</td><td>40,000</td><td></td><td></td></tr></table>Give the effect of Workmen compensation in the books of the Firm.
(a) Workmen Compensation Reserve A/c Dr Rs. 40,000
To A's Capital A/c by Rs.16,000
To B's Capital A/c by Rs.24,000.
(b) Workmen Compensation Reserve A/c Dr Rs. 40,000
To A's Capital A/c by Rs.20,000
To B's Capital A/c by Rs.20,000.
(c) A's Capital A/c by Rs.20,000
To B's Capital A/c by Rs.20,000.
(d) B's Capital A/c by Rs.20,000
To A's Capital A/c by Rs.20,000.</td><td>1</td></tr>
<tr><td>Ans.2</td><td>(a) Workmen Compensation Reserve A/c Dr Rs. 40,000
To A's Capital A/c by Rs.16,000
To B's Capital A/c by Rs.24,000.

Explanation-At the time of Change in profit sharing ratio among the existing partners the balance of Workmen Compensation Reserve A/c Distributed to the all partners in the old Ratio & Workmen</td><td>1</td></tr>
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<table>
<tr><td></td><td>Compensation Reserve is credit balance so it will be debited due to transfer entry & Partner’s Capital A/c will be Credited</td><td></td></tr>
<tr><td>3</td><td>A ,B and C are partners in a firm Sharing profits and losses in the ratio of 4 : 3 : 2 they decided to share future profits and losses in the ratio of 2 : 3 : 4 with effect from 1st April 2008. An extract of their Balance Sheet as at 31st March 2008 is as follows:-
<table>
<tr><td>liabilities</td><td>Amount (Rs.)</td><td>Assets</td><td>Amount (Rs.)</td></tr>
<tr><td>Investment Fluctuation Reserve</td><td>54,000</td><td>Investment</td><td>6,00,000</td></tr>
</table>
If the market value of the Investment is 5,91,000. Give the effect of the changes in the books of the firm..
(a) Investment Fluctuation Reserve A/c Dr 54,000
To A’s Capital A/c Rs.24,000
To B’s Capital A/c Rs.18,000
To C’sCapital A/c Rs.12,000.
(b) Investment Fluctuation Reserve A/c Dr 54,000
To Investment A/c 9,000
To A’s Capital A/c Rs.20,000
To B’s Capital A/c Rs.15,000
To C’sCapital A/c Rs.10,000.
(c) Investment Fluctuation Reserve A/c Dr 54,000
To A’s Capital A/c Rs.12,000
To B’s Capital A/c Rs.18,000
To C’sCapital A/c Rs.24,000.
(d) Investment Fluctuation Reserve A/c Dr 54,000
To A’s Capital A/c Rs.18,000
To B’s Capital A/c Rs.18,000
To C’sCapital A/c Rs.18,000.</td><td>1</td></tr>
<tr><td>Ans.3</td><td>(b)Investment Fluctuation Reserve A/c Dr 54,000
To Investment A/c 9,000
To A’s Capital A/c Rs.20,000
To B’s Capital A/c Rs.15,000
To C’sCapital A/c Rs.10,000.
Explanation-At the time of Change in profit sharing ratio among the existing partners the balance of Investment Fluctuation Reserve A/c Distributed to the all partners in the old Ratio & Investment Fluctuation Reserve is credit balance so it will be debited due to transfer entry & Partner’s Capital A/c will be Credited.</td><td></td></tr>
<tr><td>4</td><td>A and B are partners in a firm sharing profits in the ratio of 3 : 2. On 31st March 2003 their Balance Sheet showed a general Reserve of Rs. 54,000. On that date they decided to admit C as a new partner. The new profit sharing ratio among A , B and C will be 4 : 3 : 2. Record the necessary journal entries in the books of the firm under the following circumstances :-
When they want to transfer general reserve in their capital Account.
(a) General Reserve A/c Dr. Rs. 54,000</td><td>1</td></tr>
</table>

	To A's Capital A/c Rs.18,000 To B's Capital A/c Rs.18,000 To C's Capital A/c Rs.18,000 (b) General Reserve A/c Dr. Rs. 54,000 To A's Capital A/c Rs.24,000 To B's Capital A/c Rs.18,000 To C'c Capital A/c Rs. 12,000 (c) A's Capital A/c Dr. Rs. 54,000 To B's Capital A/c Rs.54,000 (d) General Reserve A/c Dr. Rs. 54,000 To A's Capital A/c Rs.32,400 To B's Capital A/c Rs.21,600	
Ans.4	(d)General Reserve A/c Dr. Rs. 54,000 To A's Capital A/c Rs.32,400 To B's Capital A/c Rs.21,600 Explanation-At the time of Change in profit sharing ratio among the existing partners the balance of General Reserve A/c Distributed to the all partners in the old Ratio & General Reserve is credit balance so it will be debited due to transfer entry & Partner's Capital A/c will be Credited.	1
5	A B and C are partners in proportion of 3/6 , 2/6 , and 1/6 respectively was admitted in the firm as a new partner with 1/6th share. Calculate the sacrificing ratio. (a) sacrificing ratio of A , B , and C :- 1:1:1. (b) sacrificing ratio of A , B , and C :- 3:2:1. (c) sacrificing ratio of A , B , and C :- 15:10:5 (d) sacrificing ratio of A , B :- :2:1.	1
Ans.5	(a) sacrificing ratio of A , B , and C :- 3:2:1. Explanation- If no information is given in the question about the sacrificing by old partners so old ratio will be sacrificing ratio i.e., sacrificing ratio of A , B , and C :- 3:2:1	1
6	A and B are partners in a firm sharing profits in the ratio of 7 : 3. C is admitted as a new partner. A surrender 2/7th of his share in favour of C and B surrender 1/7th of his share in favour of C. Calculate new ratio. (a) New ratio is 35 : 18 : 17 (b) New ratio is 7:3:3 (c) New ratio is 2:1 (d) New Ratio is 7:3	1
Ans.6	(a) New ratio is 35 : 18 : 17 Explanation- A's sacrificing Ratio = 2/7 x 7/10 = 14/70 B's Sacrificing Ratio = 1/7 x 3/10 = 3/70 New Ratio = Old Ratio – Sacrificing Ratio A's New Ratio = 7/10 – 14/70 = 49 – 14/70 = 35/70	1

	B's New ratio = 3/10 – 3/70 = 21 – 3 /70 = 18/70 C's New Ratio = 14/70 + 3/70 = 14 + 3 /70 = 17/70 New ratio of A,B, & C is 35 : 18 : 17	
	A and B are partners in a firm sharing profits in the ratio of 3 : 2.C is admitted ¼ th share as a partner. The goodwill of the firm is estimated at Rs.4,00,000. pass necessary journal entry for the treatment of the Goodwill in Case of Question No.7 & Question No.8	
7	If C bring his share of goodwill in cash. (a) Premium for Goodwill A/c Dr. Rs. 4,00,000 To A's Capital A/c Rs.2,00,000 To B's Capital A/c Rs.2,00,000 (b) Premium for Goodwill A/c Dr. Rs. 4,00,000 To A's Capital A/c Rs.2,40,000 To B's Capital A/c Rs.1,60,000 (c) Premium for Goodwill A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.60,000 To B's Capital A/c Rs.40,000 (d) Premium for Goodwill A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.50,000 To B's Capital A/c Rs.50,000	1
Ans.7	(c)Premium for Goodwill A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.60,000 To B's Capital A/c Rs.40,000 Explanation- If new partner bring his share of Goodwill in cash so it will be distributed to Sacrificing Partners in their sacrificing Ratio i.e. 3 :2 and Sacrificing partners capital account will be credited.	1
8	If C is unable bring his share of goodwill in cash. (a) C's Current A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.60,000 To B's Capital A/c Rs.40,000 (b) C's Current A/c Dr. Rs. 4,00,000 To A's Capital A/c Rs.2,40,000 To B's Capital A/c Rs.1,60,000 (c) C's Current A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.50,000 To B's Capital A/c Rs.50,000 (d) A's Capital A/c Dr. Rs.60,000 B's Capital A/c Dr. Rs.40,000 To C's Current A/c Rs. 1,00,000	
Ans.8	(a)C's Current A/c Dr. Rs. 1,00,000 To A's Capital A/c Rs.60,000 To B's Capital A/c Rs.40,000 Explanation- If new partner is unable to bring his share of Goodwill in cash so his share of Goodwill will be distributed to Sacrificing Partners in their sacrificing Ratio i.e. 3 :2 and Sacrificing partners capital account will be	1

<table>
<tr><td></td><td>credited but new partners Current Account will be debited by his share of Goodwill according to Accounting Standard-26.</td><td></td></tr>
<tr><td>9</td><td>Abhay and Beena are partners in a firm they admitted Chetan as a new partner for 1/4th share. Chetan brings Rs.2,00,00 as his share of capital the value of the total Assets of the firm Rs.5,40,000 and outside liabilities are valued Rs.1,00,000. On that date. Calculate Hidden Goodwill.
(a) Hidden goodwill Rs.3,60,000.
(b) Hidden goodwill Rs.2,60,000
(c) Hidden goodwill Rs.1,50,000
(d) Hidden goodwill Rs.1,60,000</td><td>1</td></tr>
<tr><td>Ans.9</td><td>(d)Hidden goodwill Rs.1,60,000

Explanation- Total Capital of The Firm = Chetan’s Share of Capital x Reciprocal of Chetan’s Share of Profit
Total Capital of the Firm= 2,00,000 x 4/1 = Rs.8,00,000.
Net Worth of the Firm = Total Assets of The Firm (Rs.5,40,000) + Cash brought by Chetan (Rs.2,00,000) – Outside Liabilities (Rs.1,00,000)
Net Worth Of the Frim= 7,40,000 – 1,00,000
Net Worth Of the Frim = Rs. 6,40,000
Hidden Goodwill = Total Capital of the Firm (Rs.8,00,000) – Net Worth of the Firm (Rs.6,40,000)
Hidden Goodwill = 1,60,000.</td><td>1</td></tr>
<tr><td>10</td><td>A and B are partners sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March 2012 stood as under:-
<table>
<tr><td>Liabilities</td><td>Amount (Rs.)</td><td>Assets</td><td>Amount (Rs.)</td></tr>
<tr><td>Capitals:</td><td></td><td>Machinery</td><td>66,000</td></tr>
<tr><td>A - 70,000</td><td></td><td>Furniture</td><td>30,000</td></tr>
<tr><td>B- 60,000</td><td>1,30,000</td><td>Investments</td><td>40,000</td></tr>
<tr><td>General Reserve</td><td>20,000</td><td>Stock</td><td>46,000</td></tr>
<tr><td>Bank Loan</td><td>18,000</td><td>Debtors - 38,000
(less) Provision for bad debts

(4,000)</td><td>34,000</td></tr>
<tr><td>Creditors</td><td>72,000</td><td>Cash</td><td>24,000</td></tr>
<tr><td></td><td>2,40,000</td><td></td><td>2,40,000</td></tr>
</table>
On1st April 2012 they admitted C for 25% share in the profits on the following terms:-
(i) Depreciate Furniture by 10%.
(ii) Half of investments were to be taken over by A and B in their profit sharing ratio and remaining valued at Rs.26,000.
(iii) New ratio will be 3 : 3 : 2.
Calculate profit or Loss on the Revaluation.
(a) Profit on Revaluation Rs.3,000.
(b) Loss on revaluation Rs.3,000
(c) Profit on Revaluation Rs.6,000</td><td>1</td></tr>
</table>

	(d) Loss on Revaluation Rs.6,000.	
Ans.10	(a)Profit on Revaluation Rs.3,000. Explanation- Depreciation on Furniture (Loss) (30000 x 10/100)= (3,000) Profit on Ravauation of ½ Investment remaining 26000 – 20000 = 6,000 Profit on Revaluation = 6,000 – 3,000 = Rs.3,000	1