CBT JULY, 2024

KENDRIYA VIDYALAYA SANGATHAN, BHOPAL REGION

SUBJECT – ACCOUNTANCY

CLASS –XII

Unit- Accounting for Partnership Firms (Admission of a Partner)

1	Manas and Mili are partners in a firm sharing profits in the ratio of 3:2. Anita is admitted as a new partner for 1/4th share in future profits. Capitals of Manas and Mili were ₹3,00,000 and ₹1,50,000 respectively. Anita brought ₹2,00,000 as her capital. The value of goodwill of the firm on Anita's admission. (A) 2,50,000 (B) 8,00,000 (C) 4,50,000 **(D) 1,50,000**
ANS 1	**(D) 1,50,000** **Explanation:** **Total capital of new firm = New partner's capital * 1/ New partner's share = 2,00,0008 * 4 / 1 = 8,00,000** **Total adjusted capital of all partners = 3,00,000+1,50,000+2,00,000= 6,50,000** **Goodwill = Total capital of new Firm – Total adjusted capital of all partners 8,00,000-6,50,000 = 1,50,000**
2	Mini and Mansi are partners sharing profits in the ratio of 4 3. They admitted Nisha as a new partner for 3/7th share in profits which she acquired 2/7th from Mini and 1/7th from Mansi. The new profit sharing ratio of Mini, Mansi and Nisha will be: (A) 4:3:3 (B) 5:3:2 (C) 2:3:5 **(D) 2:2:3**
ANS 2	**(D) 2:2:3** **Explanation:** **New ratio:** **Mini= 4/7-2/7=2/7** **Mansi = 3/7 – 1/7 = 2/7** **Nisha = 3/7** **New ratio = 2:2:3**
3	A and B are partners sharing profit or loss in the ratio of 3 2. C is admitted into partnership as a new partner. A sacrifices 1/3rd of his share in favour of C and B sacrifices 1/4th of his share in favour of C. What will be C's share in the firm? (A) 1/5 (B) 2/10 (C) 3/10 (D) None of the above
ANS 3	**(C) 3/10**

	Explanation **A's sacrifice= 3/5*1/3= 1/5** **B's sacrifice = 2/5*1/4= 1/10** **C's share = 1/5+1/10= 3/10**
4	A and B are partners in a firm sharing profits in the ratio of 2:1. C is admitted as a partner. A and B surrendered 1/2 of their respective shares in favour of C. C is to bring his share of premium for goodwill in cash. The goodwill of the firm is estimated at ₹60,000. Credit will be given to: (A) A ₹15,000; B ₹15,000 (B) A ₹40,000; B ₹20,000 (C) A ₹30,000; B ₹30,000 **(D) A ₹20,000; B ₹10,000**
ANS 4	**(D) A ₹20,000; B ₹10,000** **Explanation:** **Sacrifice of A = 2/3*1/2 = 1/3; Sacrifice of B= 1/3*1/2 = 1/6. Therefore sacrificing ratio of A and B = 1/3:1/6 = 2:1.** **C's share in firm = 1/3 + 1/6 = 3/6 = 1/2.** **C's share in firm's Goodwill = 60,000*1/2 = 30,000** **Therefore A will get = 30,000*2/3= 20,000 and B will get = 30,000*1/3= 10,000.**
5	P and S are partners sharing profits in the ratio of 3:2. R is admitted with 1/5th share and he brings in ₹84,000 as his share of goodwill which is credited to the Capital Accounts of P and S respectively with ₹63,000 and ₹21,000. New profit sharing ratio will be : (A) 3 : 1 : 5 (B) 9: 7 : 4 (C) 3 : 2 : 5 (D) 7 :9 : 4
ANS 5	**(B) 9 : 7 : 4** **Explanation:** **Sacrificing ratio of P and Q= 63000:21000 = 9:3= 3:1** **P's Sacrifice = 1/5*3/4 = 3/20** **Q's sacrifice = 1/5*1/4 = 1/20** **New ratio:** **P= 3/5-3/20= 9/20** **Q= 2/5-1/20= 7/20** **R=1/5 * 4/4= 4/20** **9:7:4 – Answer**
6	Assertion (A): In a partnership firm, at the time of admission, the new partner brings in an agreed amount of capital either in cash or in kind. Reason (R): In a partnership firm, at the time of admission, the new partner acquires the right to share the assets and the profits of the partnership firm. Choose the correct option from the following: (A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

	(C) Assertion (A) is incorrect, but Reason (R) is correct. (D) Assertion (A) is correct, but Reason (R) is incorrect.
ANS 6	**(A) . Both Assertion (A) and Reason (R) are correct, and Reason (R) is correct explanation of Assertion (A).** Explanation : When a new partner is admitted in firm he has to bring capital either in cash or kind due to getting right to share profits and assets of the firm .
7	Abhay and Amit are partners sharing profits and losses in the ratio of 2:3. They admitted Ankit as a new partner for 1/5th share in future profits, for which he paid ₹1,20,000 as capital and ₹60,000 as goodwill. Find the capitals for each partner taking Ankit's capital as base capital. (A) 3,00,000, 1,20,000 and 1,20,000 (B) 3,00,000, 1,20,000 and 1,80,000 **(C) 1,92,000, 2,88,000 and 1,20,000** (D) 3,00,000, 1,80,000 and 1,80,000
ANS 7	**(C) 1,92,000, 2,88,000 and 1,20,000** **Explanation** **Total capital of new firm = 1,20,000 * 5/1 = 6,00,000** **New ratio of Abhay, Amit and Ankit = 8:12:5** **New capitals of partners= Abhay- 1,92,000; Amit- 2,88,000; Ankit- 1,20,000.**
8	P and Q were partners in a firm sharing profits in the ratio of 4:3. On Ist April, 2021 they admitted R as a new partner for 1/4th share in the profits of the firm. On the date of R's admission, the Balance Sheet of P and Q showed a General Reserve of Rs.2,80,000 and Advertisement Suspense Account of Rs.1,40,000. The following was agreed upon, on R's admission: (i) R's share of goodwill is agreed at Rs.70,000 of which he is to bring half in cash. (ii) New profit sharing ratio is agreed at 2: 1: 1. What will be the correct treatment in respect of goodwill: (A) Cr. P's Capital A/c by Rs.40,000 and Q's Capital A/c by Rs.30,000 (B) Cr. P's Capital A/c by Rs.20,000 and Q's Capital A/c by Rs.15,000. (C) Cr. P's Capital A/c by Rs.10,000 and Q's Capital A/c by Rs.25,000 (D) Cr. P's Capital A/c by Rs.20,000 and Q's Capital A/c by Rs.50,000.
ANS 8	**(D) Cr. P's Capital A/c by Rs.20,000 and Q's Capital A/c by Rs.50,000** **Explanation** Cash a/c Dr 35000 R's Current a/c Dr 35000 To P's Capital a/c Rs20000 To Q's Capital a/c Rs50000 (Being R's share in goodwill distributed among P& Q in sacrificing ratio)
9	A and B are partners of a partnership firm sharing profits in the ratio of 3:2 respectively. C was admitted for 1/5th share of profit. Machinery would be appreciated by 10% (book value ₹80,000) and building would be depreciated by 20% (book value ₹2,00,000). Unrecorded debtors of ₹1,250 would be brought into books now and a creditor amounting to ₹2,750 died and need not pay anything on this account. What will be profit/loss on revaluation? **(A) Loss ₹28.000** (B) Loss ₹40,000 (C) Profits ₹28,000 (D) Profits ₹40,000

ANS 9	**(A) Loss ₹28.000** **Explanation:** **Total gain on revaluation= 8,000(machinery)+1,250(Unrecorded debtors) +2,750(creditors)= 12,000** **Total Loss on revaluation = 40,000(Building) = 40,000** **Net Loss on Revaluation = 40,000- 12,000= 28,000**
10	A and B are partners sharing profits in the ratio of 2:3. Their Balance Sheet shows Machinery at ₹2,00,000; Stock at ₹80,000 and Debtors at ₹1,60,000. C is admitted and new profit sharing ratio is agreed at 6 : 9 : 5. Machinery is revalued at ₹1,40,000 and a provision is made for doubtful debts @5%. A's share in loss on revaluation amounted to ₹20,000. Revalued value of Stock will be: (A) ₹62,000 (B) ₹1,00,000 (C) ₹60,000 **(D) ₹98,000**
ANS 10	**(D) ₹98,000** **Explanation:** **Total Loss = 40,000(Building) = 40,000** **Net Loss on Revaluation = 20,000*5/2=50,000** **Total of Dr. side of Revaluation A/c= 60,000 (Machinery) + 8,000 (Debtors)** **Total of Cr. Side of Revaluation A/c = 50,000 (Net Loss) + ? (stock)** **Therefore, ? (Stock) = 18,000** **Therefore, Revalued value of stock = 80,000+18,000 = 98,000.**