

Class 12 Accountancy

Chapter: Fundamentals of partnership

MCQ

Answer 1: a

Answer 2: d

Answer 3: b

Answer 4: d

Answer 5: c

Answer 6: d

Answer 7: b

Answer 8: c

Answer 9: c

Answer 10: c

Answer 11: b

Answer 12: d

Answer 13: b

Answer 14: c

Answer 15: c

Short Answer Type

Answer 16:

PROFIT AND LOSS APPROPRIATION A/C

FOR THE YEAR ENDING.....

Dr.

Cr.

Particulars	₹	Particulars	₹
To Interest on Capital: (WN1)		By Profit & Loss A/c	1,28,000
P	80,000		0
Q	48,000		

	1,28,000 0		1,28,000 0
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Working Notes:

Interest on Capital:

P - 10,00,000 x 10/100 = ₹1,00,000

Q - 6,00,000 x 10/100 = ₹60,000

Total interest for P and Q = ₹1,00,000 + ₹ 60,000 = ₹1,60,000

Profits are ₹1,28,000, therefore, the interest on capital to be distributed will be restricted to ₹ 1,28,000 and it will be distributed between P and Q in 5:3 ratio(i.e. ratio of ₹ 1,00,000 and ₹ 60,000)

Therefore,

P's share in interest on capital = $5/8 \times 1,28,000 = ₹80,000$

Q's share in interest on capital = $3/8 \times 1,28,000 = ₹ 48,000$

Answer 17

STATEMENT SHOWING ADJUSTMENTS

Particulars	A	B	C	Total
Profit wrongly credited, now debited	30,000 (Dr.)	20,000 (Dr.)	10,000 (Dr.)	60,000 (Dr.)
To be credited :				
Interest on Capital	3,000	2,000	1,000	6,000 (Cr.)
Salary to B		12,000		12,000 (Cr.)
Commission to C			2,700	2,700 (Cr.)
Balance of Profit ₹ 39,300 in 2:2:1	15,720	15,720	7,860	39,300 (Cr.)
Total Cr.	18,720	29,720	11,560	60,000
Net Effect	11,280 (Dr.)	9,720 (Cr.)	1,560 (Cr.)	NIL

Date	Particulars	L.F.	Debit (₹)	Credit (Cr.)
	A's Capital A/c Dr.		11,280	
	To B's Capital A/c			9,720
	To C's Capital A/c			1,560
	(Being adjustment made)			

Long Question:

Answer 18

PROFIT AND LOSS APPROPRIATION A/C

FOR THE YEAR ENDING 31st MARCH 2018

Dr. Cr.

Particulars	₹	Particulars	₹
To M's Capital A/c – Salary	5,000	By Profit	25,000
To Interest on Capital:		Less : Rent to M	6,000
L (1,00,000x6/100) 6,000		Less : Manager's Commission 1200	
M (60,000x 6/100) 3,600	9,600	5% of 24000(25,000-6,000+5,000)	
To Net Profit :		Add : M's Salary	5,000
L's capital A/c (3/5) 4,920			22,800
M's capital A/c(2/5) 3,280	8,200		
	22,800		22,800

Dr. Cr.

PARTNER'S CAPITAL A/c

Particular	L ₹	M ₹	Particular	L ₹	M ₹
To balance c/d	1,10,920	71,880	By balance b/d	1,00,000	60,000
			By P & L Appr. A/c		
			-Salary		5,000
			-Interest on capital	-	3,600
			-Share of profit	6,000	3,280
				4,920	
	1,10,920	71,880		1,10,920	71,880

Answer 19

Profit and Loss Appropriation Account

For the year ended 31st March, 2017

Particulars	₹	Particulars	₹
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To A's Capital A/c	40,000		By Profit and Loss A/c	1,00,000
Less: Deficiency borne	<u>3,000</u>	37,000	(Net Profit)	
To B's Capital A/c	40,000			
Less: Deficiency borne	<u>2,000</u>	38,000		
To C's Capital A/c	20,000			
Add: Deficiency recovered from:				
A	3,000			
B	<u>2,000</u>	25,000		
		1,00,000		1,00,000

Working :

Calculation of Profit share:

A $1,00,000 \times \frac{2}{5} = ₹ 40,000$

B $1,00,000 \times \frac{2}{5} = ₹ 40,000$

C $1,00,000 \times \frac{1}{5} = ₹ 20,000$

C's share of ₹ 25,000 is guaranteed by A and B. C's share as per profit ratio is ₹ 20,000. It means that deficiency of ₹ 5,000 is to be borne by A and B in 3:2.