

Session 2017-18 Sample

Q-17*



Revaluation Account

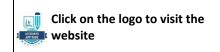
Debit

| Particulars Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--------------------------|--------------------------|-------------------------------------|--------------|
| To Plant & Machinery A/c | 20,000 | By Provision for Doubtful Debts A/c | 750 |
| B's Capital A/c 21 | 375 225 150 70,750 | By Land & Building A/c | 90,000 |
| Т | otal 90,750 | Total | 90,750 |

Partners' Current Accounts

Debit

| Particulars | A | В | C | Particulars | A | В | C |
|----------------------|----------|--------|--------|--------------------|----------|--------|--------|
| To C's Current A/c | 38,250 | 22,950 | APILI | By Revaluation A/c | 35,375 | 21,225 | 14,150 |
| To Profit & Loss A/c | 1,20,500 | 72,300 | 48,200 | By A's Current A/c | - | - | 38,250 |
| To C's Capital A/c | - | * | 42,150 | By B's Current A/c | - | - | 22,950 |
| | | | | By General Reserve | 37,500 | 22,500 | 15,000 |
| | | | | By Balance c/d | 85,875 | 51,525 | - |
| | 1,58,750 | 95,250 | 90,350 | | 1,58,750 | 95,250 | 90,350 |



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Partners' Capital Accounts

Debit Credit_

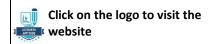
| Particulars | A | В | C | Particulars Particulars | A | В | C |
|--------------------|----------|----------|----------|-------------------------|----------|----------|----------|
| To Bank A/c | - | - | 35,500 | By Balance b/d | 5,00,000 | 3,00,000 | 2,00,000 |
| To C's Loan A/c | - | _ | 2,06,650 | By C's Current A/c | - | - | 42,150 |
| By Balance c/d | 5,00,000 | 3,00,000 | - | | | | |
| | 5,00,000 | 3,00,000 | 2,42,150 | | 5,00,000 | 3,00,000 | 2,42,150 |

Balance Sheet

as at March 31, 2017

Debit

| Liabilities | | Amount (Rs.) | Assets | Amount (Rs.) |
|--------------------|-------------------|--------------|--|--------------|
| Capitals: | | | Bank | 21,000 |
| A B | 5,00,000 3,00,000 | 8,00,000 | Stock | 9,000 |
| C's Loan A/c | | 2,06,650 | Debtors 15,00 Less: Provision for D. Debts (750 | |
| Creditors | | 23,000 | | <i></i> |
| Outstanding Salary | | 7,000 | Plant & Machinery | 1,80,000 |
| B's Loan A/c | | 15,000 | Land & Building | 6,90,000 |
| | | | A's Current A/c | 85,875 |
| | | | B's Current A/c | 51,525 |
| | Total | 10,51,650 | Tota | 1 10,51,650 |



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Working Notes

Profit Sharing Ratio (Before C's retirement): A:B:C=1:1:1

Profit Sharing Ratio (Post C's retirement): A:B = 1:1

Goodwill of the Firm = $(4,00,000 + 3,00,000 - 2,41,000) \times \frac{2}{3} = 3,06,000$

C's Share of Goodwill = 3,06,000 X $\frac{1}{3}$ = 1,02,000

A's Contribution = 1,02,000 X $\frac{1}{2}$ = 51,000

B's Contribution = 1,02,000 X $\frac{1}{2}$ = 51,000