



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Accountancy	Department: Commerce
Worksheet No: 1	Topic: Death of a Partner

1. Bakul, Champak and Darshan were partners in a firm sharing profits in the ratio of 5:4:1. The profit of the firm for the year ending on March 31, 2020 was Rs.1,00,000. Champak died on June 30, 2020. Calculate Champak's share of profit on the basis of previous years profit.
2. X, Y and Z were partners sharing profits and losses in the ratio of 3 : 2 : 1. Y died on 30th June, 2020. Profit from 1st April, 2020 to 30th June, 2020 was ₹3,60,000. X and Z decided to share the future profits in the ratio of 3 : 2 respectively with effect from 1st July, 2020. Pass the necessary Journal entries to record Y's share of profit up to the date of death.
3. DK, PK and GK were partners in a firm sharing profits and losses in the ratio of 5:3:2. PK died on 31st May, 2020. His share of profit from the closure of the last accounting year till the date of death, was to be calculated on the basis of the average of three completed years of profits before death. Profits for the years ended 31st December, 2017, 2018 and 2019 were Rs.17,000; Rs.15,000 and Rs.13,000 respectively. Calculate PK's share of profit till his death and pass the necessary Journal entry for the same.
4. Ram, Manohar and Joshi were partners in a firm. Joshi died on 31st May, 2016. His share of profit from the closure of the last accounting year till the date of death was to be calculated on the basis of the average of three completed years of profits before death. Profits for the years ended 31st March, 2014, 2015 and 2016 were Rs.7,000; Rs.8,000 and Rs.9,000 respectively. Calculate Joshi's share of profit till his death and pass necessary Journal entry.
5. A, B and C were partners sharing profits and losses in the ratio of 2:2:1. C died on 31st March 2020. Profits and Sales for the calendar year 2019 were Rs.1,00,000 and Rs.10,00,000 respectively. Sales during January to March 2020 were Rs.1,50,000 . You are required to calculate share of profit of C up to the death.
6. From the following information, estimate share of the deceased partner in profits from the accounting date till the date of death:
Sales for the year 2019 – Rs.4,00,000; Profit for the year 2019 – Rs.80,000; Date of death 1.4.2020; Sales from 1.1.2020 to 31.3.2020- Rs.70,000; Share of deceased partner-2/5.

7. P, Q and R were partners sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on March 31 every year. On June 30, 2017, R died. His share in the profit of the firm till the date of death, to be calculated on the basis of the rate of Net Profit on Sales of the previous year, which was 25 %. The Sales of the firm till June 30, 2017 were Rs. 6,00,000. Prepare R's Capital Account on his death to be presented to his executors.
8. X, Y and Z were partners in a firm sharing profit in 3 : 2 : 1. The firm closes its books on 31st March every year. Y died on 30th June, 2018. On Y's death goodwill of the firm was valued at ₹ 60,000. Y's share in the profit of the firm till the date of his death was to be calculated on the basis of previous year's profit which was ₹ 1,50,000. Pass necessary Journal entries for goodwill and Y's share of profit at the time of his death.
9. A, B and C were partners sharing profits in the ratio of 3 : 2 : 1. The firm closes its books on 31st March every year. B died on 30th June, 2018. On his death, Goodwill of the firm was valued at ₹ 6,00,000. B's share in profit or loss till the date of death was to be calculated on the basis of previous year's profit/loss which was ₹ 15,00,000 (Loss). Pass necessary Journal entries for goodwill and his share of loss.
10. P, Q and R were partners in a firm sharing profits in 2 : 2 : 1 ratio. The Partnership Deed provided that on the death of a partner his executors will be entitled to the following:
- Interest on Capital @ 12% p.a.
 - Interest on Drawings @ 18% p.a.
 - Salary of ₹ 12,000 p.a.
 - Share in the profit will be calculated on the basis of previous year.

Year	2014-15	2015-16	2016-17	2017-18
Profits (₹)	1,50,000	1,00,000	50,000	30,000

P died on 31st May, 2018. His capital was ₹ 80,000. He had withdrawn ₹ 15,000 and interest on his drawings was calculated as ₹ 1,200.

Prepare P's Capital Account to be rendered to his executors.

11. Vikas, Gagan and Momita were partners in a firm sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 30th September, 2014 Momita died. According to the provisions of Partnership Deed the legal representatives of a deceased partner are entitled for the following in the event of his/her death:
- Capital as per the last Balance Sheet.
 - Interest on capital at 6% per annum till the date of her death.
 - Her share of profit to the date of death calculated on the basis of average profit of last four years.
 - Her share of goodwill to be determined on the basis of three years' purchase of the average profit of last four years. The profits of last four years were:

Year	2010-11	2011-12	2012-13	2013-14
Profit (₹)	30,000	50,000	40,000	60,000

The balance in Momita's Capital Account on 31st March, 2014 was ₹ 60,000 and she had withdrawn ₹ 10,000 till date of her death. Interest on her drawings was ₹ 300.

Prepare Momita's Capital Account to be presented to her executors.

12. Danish, Ana and Pranjal are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their books are closed on March 31st every year. Danish died on September 30th, 2019, The executors of Danish are entitled to:-

- His share of Capital i.e. ₹ 5,00,000 along-with his share of goodwill. The total goodwill of the firm was valued at ₹ 60,000.
- His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended March 31, 2019 was ₹ 2,00,000 and profit for the same year was 10% on sales. Sales shows a growth trend of 20% and percentage of profit earning is reduced by 1%.
- Amount payable to Danish was transferred to his executors.
Pass necessary Journal Entries and show the workings clearly.

13. Punita, Rashi and Seema who are sharing profits in the ratio 2:1:2. The balance of Punita's capital was 1,44,000 as on 31st March 2019. Punita died on 30th September 2019. She had withdrawn 44,000 from her capital on July 1, 2019.

According to the partnership agreement, she was entitled to interest on capital @8% p.a. Her share of profit till the date of death was to be calculated on the basis of the average profits of the last three years. Goodwill was to be calculated on the basis of three times the average profits of the last 3 years. The profits for the years ended 2016-17, 2017-18 and 2018-19 were ₹30,000, ₹70,000 and ₹80,000 respectively.

Prepare Punita's account to be rendered to her executors.

14. The Balance Sheet of A, B and C who were sharing profits in the ratio of 3 : 3 : 4 as at 31st March, 2019 was as follows

Liabilities	Amount	Assets	Amount	General Reserve
40,000	Cash	4,000		
Bills Payable	15,000	Stock	43,000	
Loan from Bank	30,000	Investments	70,000	
Capitals :		Land and Buildings	1,58,000	
A	60,000			
B	90,000			
C	40,000			

A died on 1 st October, 2019. The partnership deed provided for the following on the death of a partner:

- (i) Goodwill of the firm be valued at two years' purchase of average profits for the last three years.
- (ii) The profit for the year ending 31st March, 2019 was 50,000.
- (iii) Interest on capital was to be provided @ 6% p.a.
- (iv) The average profits of the last three years were 35,000.

Prepare A's Capital Account to be rendered to his executors

15. A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2019. Entry for treatment of goodwill after his death was passed as follows:-

Date	Particulars	L.F	Debit (₹)	Credit (₹)
	B's Capital A/c Dr.		1,80,000	
	C's Capital A/c Dr.		1,20,000	
	To A's Capital A/c			3,00,000

(Entry for goodwill treatment passed at the time of death of partner)

A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932. Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.