



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Accountancy	Department: Commerce
OTQ Worksheet No: 1	Topic: ACCOUNTING FOR PARTNERSHIP FIRMS – FUNDAMENTALS

Q1. In a partnership firm, partner A is entitled a monthly salary of ` 7,500. At the end of the year, firm earned a profit of ` 75,000 after charging A 's salary. If the manager is entitled a commission of 10% on the net profit after charging his commission, Manager 's commission will be:

(A) ` 7,500 (B) ` 16,500 (C) ` 8,250 (D) ` 15,000

Q2. A, B and C are partners sharing profits and losses equally. Their capital balances on March, 31, 2021 are ` 80,000, ` 60,000 and ` ₹40,000 respectively. Their personal assets are worth as follows : A— ` 20,000, B— ` ₹15,000 and C — ` 10,000. The extent of their liability in the firm would be :

(A) A — ` 80,000 : B — ` 60,000 : and C — ` 40,000

(B) A — ` 20,000 : B — ` 15,000 : and C — ` 10,000

(C) A — ` 1,00,000 : B — ` 75,000 : and C — ` ₹50,000

(D) Equal

Q3. Features of a partnership firm are

(A) Two or more persons are carrying common business under a written agreement.

(B) They are sharing profits and losses in the fixed ratio.

(C) Business is carried by all or any of them acting for all as an agent.

(D) All of the above

Q4. The relation of partner with the firm is that of:

(A) An Owner (B) An Agent (C) An Owner and an Agent (D) Manager

Q5. Number of partners in a partnership firm may be:

(A) Maximum Two (B) Maximum Ten (C) Maximum One Hundred (D) Maximum Fifty

Q6. In the absence of a partnership deed, the allowable rate of interest on partner's loan account will be :

(A) 6% Simple Interest (B) 6% p.a. Simple Interest (C) 12% Simple Interest (D) 12% Compounded Annually

Q7. Interest on capital will be paid to the partners if provided for in the partnership deed but only out of: (A) Profits (B) Reserves (C) Accumulated Profits (D) Goodwill

Q8. X, Y, and Z are partners in a firm. At the time of division of profit for the year, there was dispute between the partners. Profit before interest on partner's capital was ` 6,00,000 and Z demanded minimum profit of ` 5,00,000 as his financial position was not good. However, there was no written agreement on this point.

- (A) Other partners will pay Z the minimum profit and will share the loss equally.
- (B) Other partners will pay Z the minimum profit and will share the loss in capital ratio.
- (C) X and Y will take ` 50,000 each and Z will take ` 5,00,000.
- (D) ` 2,00,000 to each of the partners.

Q9. According to Profit and Loss Account, the net profit for the year is ` 1,50,000. The total interest on partner's capital is ₹18,000 and interest on partner's drawings is ` 2,000. The profit as per Profit and Loss Appropriation Account will be:

- (A) ` 1,66,000 (B) ` 1,70,000 (C) ` 1,30,000 (D) ` 1,34,000

Q 10. Which of the following is true regarding Salary to a partner when the firm maintains fluctuating capital accounts?

- (A) Debit Partner's Loan A/c and Credit P & L Appropriation A/c. (B) Debit P & L A/c and Credit Partner's Capital A/c. (C) Debit P & L Appropriation A/c and Credit Partner's Current A/c. (D) Debit P & L Appropriation A/c and Credit Partner's Capital A/c.

Q 11. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

Assertion (A): Transfer to reserves is shown in P & L Appropriation A/c.

Reason (R): Reserves are charge against the profits.

In the context of the above statements, which one of the following is correct?

- (A) (A) is correct, but (R) is wrong.
- (B) Both (A) and (R) are correct.
- (C) (A) is wrong, but (R) is correct.
- (D) Both (A) and (R) are wrong.

Q 12. A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹4,800 at the end of the year. What was the amount of his monthly drawings?

- (A) ₹10,000. (B) ₹5,000. (C) ₹1,20,000. (D) ₹48,000.

13. Which of the following is not incorporated in the Partnership Act?

- (A) profit and loss are to be shared equally
- (B) no interest is to be charged on capital

- (C) all loans are to be charged interest @6% p.a.
- (D) all drawings are to be charged interest

14. A and B are partners in a partnership firm without any agreement. A has withdrawn Rs. 50,000 as drawings. Interest on drawings may be charged from A by the firm:

- (A) @ 5% Per Annum
- (B) @ 6% Per Annum
- (C) @ 6% Per Month
- (D) No interest can be charged

15. According to Profit and Loss Account, the net profit for the year is ₹1,40,000. The total interest on partner's capital is Rs. 8,000 and a partner is to be allowed commission of ₹5,000. The total interest on partner's drawings is ₹1,200. The net profit as per Profit and Loss Appropriation Account will be:

- (A) ₹1,28,200
- (B) ₹1,44,200
- (C) ₹1,25,800
- (D) ₹1,41,800

16. Net profit of a firm is ₹79,800. Manager is entitled to a commission of 5% of profits after charging his commission. Manager's Commission will be:

- (A) ₹4,200
- (B) ₹380
- (C) ₹3,990
- (D) ₹3,800

17. Seeta and Geeta are partners sharing profits and losses in the ratio 4:1. Meeta was manager who received the salary of ₹4,000 p.m. in addition to a commission of 5% on net profits after charging such commission. Profit for the year is ₹6,78,000 before charging salary. Find the total remuneration of Meeta.

- (A) ₹78,000
- (B) ₹88,000
- (C) ₹87,000
- (D) ₹76,000

18. In a partnership firm, a partner withdrew ₹5,000 per month on the first day of every month during the year for personal expenses. If interest on drawings is charged @ 6% p.a. the interest charged will be:

- (A) ₹3,600
- (B) ₹1,950
- (C) ₹1,800
- (D) ₹1,650

19. A and B are partners with a profit-sharing ratio of 2:1 and capitals of ₹3,00,000 and ₹2,00,000 respectively. They are allowed 6% p.a. interest on their capitals and are charged 10% p.a. interest on their drawings. Their drawings during the year were A ₹60,000 and B ₹40,000. B's share of net profit as per profit and loss appropriation account amounted to ₹40,000. Net Profit of the firm before any appropriations was:

- (A) ₹1,22,000

- (B) ₹1,13,000
- (C) ₹1,17,000
- (D) ₹1,45,000

20. Assertion (A): Drawings is the amount withdrawn in cash or in kind, for personal purposes.

Reason (R): A Drawings Account is opened in the name of each partner and the drawings are debited to this account.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

21. In the absence of Partnership Deed, the interest is allowed on partner's capital:

- (A) @ 5% p.a.
- (B) @ 6% p.a.
- (C) @ 12% p.a.
- (D) No interest is allowed

22. On 1st April 2020 a partner has a capital of ₹1,00,000, On 1st July 2020 he introduced in the firm additional capital ₹ 50,000. As partnership deed interest on capital @10% p.a. On 31st March 2021, he will receive interest of:

- (A) ₹15,000
- (B) ₹13,750
- (C) ₹10,000
- (D) ₹12,500

23. X and Y are partners in the ratio of 3 : 2. Their capitals are ₹2,00,000 and ₹1,00,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm earned a profit of ₹18,000 for the year ended 31st March 2021. Interest on Capital will be :

- (A) X ₹16,000; Y ₹8,000
- (B) X ₹8,000; Y ₹4,000
- (C) X ₹14,400; Y ₹9,600
- (D) X ₹12,000; Y ₹6,000

24. If equal amount is withdrawn by a partner in the beginning of each month during a period of 6 months, interest on the total amount will be charged for months

- (A) 2.5
- (B) 3
- (C) 3.5
- (D) 6.5

25. Ajay is a partner in a firm. He withdrew ₹2,000 per month on the last day of every month during the year ended 31st March, 2021. If interest on drawings is charged @ 9% p.a. the interest charged will be :

- (A) ₹990
- (B) ₹1,080
- (C) ₹1,170
- (D) ₹2,160