



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet 1 (MCQS)	Chapter: PARTNERSHIP ACCOUNTING-FUNDAMENTALS

1. Assertion (A) : Each partner is a principal as well as an agent for all the other partners.

Reason (R) : As per the definition of Partnership Act, partnership business may be carried on by all the partners or any of them acting for all.

Choose the correct option from the following:

(A) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).

(C) Assertion (A) is correct, but Reason (R) is incorrect.

(D) Assertion (A) is incorrect, but Reason (R) is correct.

2. Which of the following is charge against profit?

i. Interest on partner's loan.

ii. Interest on capital.

iii. Rent payable to a partner on property rented from him/her.

iv. Salary to a partner.

v. Commission to a manager

(A) i, iii, iv

(B) ii, iii, iv

(C) i, iii, v

(D) iii, iv, v

3. Assertion (A):- Commission provided to partner is shown in Profit and Loss A/c.

Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate.

(A) (A) is correct but (R) is wrong

(B) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)

(C) Both (A) and (R) are incorrect.

(D) Both (A) and (R) are correct, and (R) is the correct explanation of (A)

4. In the absence of partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of:

(A) entitled for 6% p.a. on their additional capital, only when there are profits.

(B) entitled for 10% p.a. on their additional capital

(C) entitled for 12% p.a. on their additional capital

(D) not entitled for any interest on their additional capitals.

5. On 01st December 2024 one of the partners of the firm introduced additional capital of ₹30,000 and also advanced a loan of ₹40,000 to the firm.

Calculate the total amount of interest on capital and loan that Partner will receive for the

current accounting period-

(A) ₹4,200 (B) ₹1,400 (C) ₹ 1575 (D) ₹ 800

6. Madhu and Radha were partners in a partnership firm sharing profits and losses in the ratio of 3 : 2. Madhu withdrew ₹20,000 in each quarter during the year ended 31.03.2023. Interest on Drawings charged @ 6% p.a will be:

(A) ₹ 3,000 (B) ₹2,400 (C) ₹1,800 (D) ₹4,800

7. A partner draws ₹ 10,000 per month. Under the partnership deed, interest on drawings is to be charged @ 15% p.a. The interest on drawings will be calculated for average period of _____(i)_____ months and the amount of IOD will be _____(ii)_____.

(A) 6 months, ₹9,000

(B) 6.5 months, ₹12,000

(C) 5.5 months; ₹18,000

(D) 6 months; ₹18,000

8. A and B were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2024 the balances in their capital accounts were ₹ 1,50,000 and ₹ 2,00,000 respectively. The partnership deed provided that interest on partners' capital will be allowed @ 10% per annum. During the year ended 31st March, 2025, the firm incurred a loss of ₹ 10,000. Interest on A's capital will be:

(A) ₹15,000 (B) ₹9,000 (C) Nil (D) ₹ 6,000

9. B and D were partners. According to the provisions of partnership deed, interest on capital for the year ended 31.03.2025 was calculated at ₹ 4,000. The necessary journal for transferring interest on B's capital to Profit and Loss Appropriation Account will be:

(A) Profit and Loss Appropriation A/c Dr. ₹ 4,000

To B Capital A/c ₹4,000

(B) Profit and Loss Appropriation A/c Dr. ₹ 4,000

To Interest on B's capital A/c ₹ 4,000

(C) Interest on B's Capital A/c Dr. ₹ 4,000

To Profit and Loss Appropriation A/c ₹4,000

(D) Profit and Loss Appropriation A/c Dr. ₹4,000

To B Current A/c ₹4,000

10. After doing the adjustments regarding drawings ₹40,000, share of profit ₹24,000 and the additional capital introduced ₹32,000, the capital of Ashok, a partner, as on 31.03.2025 was ₹5,00,000. His capital as on 01.04.2024 was:

(A) ₹ 4,84,000

(B) ₹ 5,16,000

(C) ₹ 4,46,000

(D) ₹5,96,000

11. Girdhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31 March 2025. What is the rate of interest on drawings charged?

(A) 6% p.a.

(B) 8% p.a.

(C) 10% p.a.

(D) 12% p.a.

12. Ajitha and Varsha are partners in a firm. They started the business on 1.7.2024. Varsha withdrew ₹1,000 at the end of each quarter till 31.3.2025. Interest on drawings will be calculated for an average period of

- (A) 6 months
- (B) 4.5 months
- (C) 3 months
- (D) 7 months

13. Aman and Chaman are partners in a firm. On 1st October 2024 Aman advanced a loan of ₹ 6,00,000 to the firm. There is no partnership deed. On 31st March, 2025, Aman was entitled to get the following amount as interest on loan:

- (A) ₹36,000 (B) ₹18,000 (C) ₹9,000 (D) ₹27,000

Read the following hypothetical situation and answer question number 14 and 15 on the basis of the given information:

Kavita, Savita and Madhu were partners in a firm with capitals of ₹ 6,00,000, ₹4,00,000 and ₹2,00,000 respectively. After providing interest on capital @ 10% p.a., the profits are divisible as follows: Kavita $\frac{1}{3}$, Savita $\frac{1}{2}$ and Madhu $\frac{1}{6}$. Kavita personally guaranteed that less than ₹1,00,000 in any year. The profit for the year ending 31st March, 2025 amounted to ₹3,00,000 before providing interest on capital.

14. Savita's share of profit is short of the guaranteed amount by:

- (A) ₹ 40,000 (B) ₹70,000 (C) ₹ 20,000 (D) ₹ 10,000

15. The total profits of the firm after adjustment of guaranteed amount will be distributed between the partners as :

- (A) Kavita ₹ 60,000, Savita ₹ 40,000 and Madhu ₹20,000
- (B) Kavita ₹50,000, Savita ₹ 1,00,000 and Madhu ₹ 30,000
- (C) Kavita ₹60,000, Savita ₹90,000 and Madhu ₹30,000
- (D) Kavita ₹ 60,000, Savita ₹1,00,000 and Madhu ₹ 20,000

Read the following hypothetical situation and answer questions No. 16 and 17 on the basis of the given information.

Abha and Babita were partners in a clay toy making firm sharing profits in the ratio of 2 :1. On 1st April, 2023, their capital accounts showed balances of ₹5,00,000 and ₹10,00,000 respectively. The partnership deed provides for interest on capital @ 10% p.a. The firm earned a profit of ₹ 90,000 during the year.

16. The amount of interest on capital allowed to Abha will be:

- (A) ₹ 50,000 (B) ₹ 1,00,000 (C) ₹60,000 (D) ₹30,000

17. Babita's share of profit will be:

- (A) ₹ 60,000 (B) ₹ 30,000 (C) Nil (D) ₹ 1,00,000