



INDIAN SCHOOL AL WADI AL KABIR

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| Class: XII | Department: Commerce. |
| Worksheet: 2 | Admission of a partner |

1. On 31st March, 2025 the Balance Sheet of Arjun and Aditya who share profits and losses in the ratio of 3 : 2 was as follows :

| LIABILITIES | ₹ | ASSETS | ₹. |
|---------------------------|-----------------|--|-----------------|
| Creditors | 28,000 | Patent | 57,000 |
| General Reserve | 10,000 | Stock | 33,000 |
| Employees' Provident Fund | 22,000 | Debtors 65,000 Less: Provision -5,000 | 60,000 |
| Arjun's capital | 60,000 | Cash | 10,000 |
| Aditya's capital | 40,000 | | |
| | 1,60,000 | | 1,60,000 |

They decided to admit Ramesh on 1st April, 2025 for 1/5th share **which he acquired wholly from Aditya** on the following terms:

- Ramesh shall bring ₹10,000 as his share of premium for Goodwill and capital of ₹50,000
- The Provision for bad debt to be reduced to ₹4,000
- A claim of ₹5,000 on account of workmen's compensation was to be provided for.
- Patents were undervalued by ₹2,000.
- Stock in the books was valued 10% more than its market value.

Prepare Revaluation Account, Capital Accounts of the Partners and the Balance Sheet of the firm.

2. Rajinder and Vijay were partners in a firm sharing profits in the ratio 3:2. On 31st March 2025 their balance sheet was as follows:

| LIABILITIES | ₹ | ASSETS | ₹. |
|--|----------|-------------------------|----------|
| Capital A/cs: Rajinder 3,00,000 Vijay 1,50,000 | 4,50,000 | Fixed Assets (Tangible) | 3,60,000 |
| Current A/cs: Rajinder 50,000 Vijay 10,000 | 60,000 | Goodwill | 50,000 |
| Creditors | 75,000 | Investments | 40,000 |

| | | | | |
|-----------------|-----------------|------------|----------|-----------------|
| General Reserve | 60,000 | Debtors | 1,00,000 | |
| | | Less: PBDD | 4,000 | 96,000 |
| | | Bank | | 25,000 |
| | | Stock | | 74,000 |
| | 6,45,000 | | | 6,45,000 |

With an aim to expand business it is decided to admit Ranvijay as a partner on 1st April 2025 on the following terms:

- Provision for doubtful debts is to be increased to 6% of debtors.
- An outstanding bill for repairs ₹ 50,000 to be accounted in the books
- An unaccounted interest accrued of ₹ 7500 be provided for
- Investment were sold at book value.
- Half of stock was taken by Rajinder at ₹42,000 and remaining stock was also to be revalued at the same rate.
- New profit-sharing ratio of partners will be 5:3:2.
- Ranvijay will bring ₹ 1,00,000 as capital and ₹ 20,000 for PFG.

Prepare Revaluation, Partners Current A/c & Partners capital A/c

- P and Q are partners in a firm sharing profits in the ratio of 4 : 1. On 31st March, 2024, their balance sheet was as follows:

| LIABILITIES | Rs. | ASSETS | Rs. |
|----------------------|----------|-------------------|----------|
| Creditors | 40,000 | Cash | 24,000 |
| Outstanding salary | 6,000 | Debtors | 36,000 |
| | | -Provision | (4,000) |
| General Reserve | 10,000 | Stock | 40,000 |
| Capital: P: 1,20,000 | | Furniture | 80,000 |
| Q: 80,000 | | Plant & Machinery | 80,000 |
| | 2,00,000 | | |
| | 2,56,000 | | 2,56,000 |

On 01/04/2024, E was admitted for 1/4 share in the profits on the following terms:

- E will bring ₹ 1,00,000 as his capital and ₹ 20,000 for his share of goodwill premium, half of which will be withdrawn by P and Q.
- Debtors ₹ 2,000 will be written off as bad debts and a provision of 4% will be created on debtors for bad and doubtful debts.
- Stock will be reduced by ₹ 2,000, furniture will be depreciated by ₹ 4,000 and plant & machine is depreciated by 10%.
- Investments ₹ 7,000 not shown in the balance sheet will be taken into account.
- There was an outstanding repairs bill of ₹ 2,300 which will be recorded in the books.

Prepare Revaluation & Partners capital account.

- Karan and Arjun share profits and losses in the ratio of 3:1. On 1st April 2024, a new partner Jay is admitted into the Partnership and it is decided that Jay shall pay ₹ 40,000 as capital and the capital of the old partners shall be adjusted on the basis of new partner's capital. Actual cash is to be brought in or withdrawn by the old partners, as the case may be.

Calculate the New Capital of each partner, Surplus or Deficit Capital, and pass the necessary Journal entries when the New Profit-Sharing Ratio is 5:3:2 and the Capital after adjustments of Karan and Arjun is ₹85,400 and ₹39,800, respectively.

5. X and Y were partners in the profit-sharing ratio of 3: 2. Their balance sheet as at March 31, 2025 was as follows:

| LIABILITIES | ₹ | ASSETS | ₹. |
|-------------------|-----------------|----------------------|-----------------|
| Creditors | 56,000 | Plant and Machinery | 70,000 |
| General Reserve | 14,000 | Buildings | 98,000 |
| Capital Accounts: | | Stock | 21,000 |
| X 1,19,000 | | Debtors 42,000 | |
| Y 1,12,000 | | (-)Provision - 7,000 | |
| | 2,31,000 | | 35,000 |
| | | Cash in Hand | 77,000 |
| | 3,01,000 | | 3,01,000 |

Z was admitted for 1/6th share on the following terms:

- (i) Z will bring ₹ 56,000 as his share of capital, but was not able to bring any amount to compensate the sacrificing partners.
- (ii) Goodwill of the firm is valued at ₹. 84,000.
- (iii) Plant and Machinery were found to be undervalued by ₹ 14,000 Building was to be brought up to ₹ 1,09,000.
- (iv) All debtors are good.
- (v) Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts.

Prepare revaluation account & Partners Capital account.

6. Abha and Bimal are partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025 they admitted Chintu into partnership for 1/5th share in the profits of the firm. On that date their balance sheet stood as under:

| LIABILITIES | Rs. | ASSETS | Rs. |
|-----------------|----------|------------|----------|
| General Reserve | 20,000 | Machinery | 1,30,000 |
| Creditors | 1,00,000 | Furniture | 25,000 |
| Abha's Capital | 1,20,000 | Investment | 1,00,000 |
| Bimal's Capital | 1,00,000 | Debtors | 50,000 |
| | | Bank | 35,000 |
| | 3,40,000 | | 3,40,000 |

Chintu was admitted on the following terms on 01/04/2025

- (i) He will bring ₹ 80,000 as capital and ₹ 30,000 for his share of goodwill premium.
- (ii) Partners will share future profits in the ratio of 5 : 3 : 2.
- (iii) Profit on revaluation of assets and reassessment of liabilities was ₹ 7,000.
- (iv) After making adjustments, the capital accounts of the partners will be in proportion to Chintu's capital. Balance to be paid off or brought in by the old partners by cheque as the case may be.

Prepare Partners capital account and pass necessary journal entries.

7. Prakash and Rakesh are in Partnership sharing profits and losses in the ratio of 3:2. A new partner Suraj is admitted to the firm and agrees to bring 20% of the total capital of the new firm. If the Adjusted Capital of Prakash and Rakesh is ₹34,000 and ₹26,000, respectively, calculate the amount of the capital to be brought in by Suraj.

8. On 31st March, 2025 the Balance Sheet of A and B who share profits and losses in 3 : 2 was as follows:

| LIABILITIES | ₹ | ASSETS | ₹. |
|---------------------------|---------------|---|---------------|
| Creditors | 10,000 | Plant & Machinery | 10,000 |
| General Reserve | 15,000 | Land & Building | 8,000 |
| Workmen Compensation Fund | 5,000 | Debtors 12,000 Less: Provision 1,000 | 11,000 |
| A's capital | 10,000 | Stock | 12,000 |
| B's capital | 10,000 | Cash | 9,000 |
| | 50,000 | | 50,000 |

They decided to admit C on 1st April, 2025 for 1/5th share of profit on the following terms:

- Provision for doubtful debt is increased by ₹2,000
- Land & Building is increased to ₹26,000.
- Value of Stock is increased by ₹4,000.
- The liability against workmen compensation reserve is determined at ₹2,000.
- C brought his share of goodwill ₹5,000 in cash
- C would bring further cash to make his capital equal to 1/5th of the total capital of the new firm after the above adjustments are carried out.

Prepare Revaluation Account, Capital Accounts of the Partners.

9. Yuv and Veer were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet of Yuv and Veer as at 31st March, 2025

| LIABILITIES | ₹ | ASSETS | ₹. |
|---------------------|-----------------|--|-----------------|
| Creditors | 41,000 | Machinery | 60,000 |
| General Reserve | 80,000 | Building | 40,000 |
| Outstanding expense | 12,000 | Investment | 60,000 |
| Yuv's Capital | 79,000 | Stock | 50,000 |
| Veer's Capital | 48,000 | Debtors 38,000 Less. Provision (16,000) | 34,000 |
| | | Cash | 16,000 |
| | 2,60,000 | | 2,60,000 |

They decided to admit Yash in the firm on 1st April, 2025 for 1/4 share in profits on the following terms:

- Yash will bring in proportionate capital and ₹4,000 as his share of goodwill premium in cash.
- Investments were valued at ₹68,000.
- Plant and Machinery was to be depreciated by 10%.

Prepare Revaluation Accounts and Partners Capital A/c and Cash A/c.

10. Madhuri and Arsh were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet as at 31st March, 2025, was as follows :

| LIABILITIES | ₹ | ASSETS | ₹. |
|---|-----------------|--|----------|
| Capitals : Madhuri 3,00,000 Arsh 2,00,000 | 5,00,000 | Machinery | 4,70,000 |
| Workmen's Compensation Fund | 60,000 | Investments | 1,10,000 |
| Creditors | 1,90,000 | Debtors 1,20,000 Less : Provision for doubtful debts 10,000 | 1,10,000 |
| Employees' Provident Fund | 1,10,000 | Stock | 1,40,000 |
| | | Cash | 1,30,000 |
| | 8,60,000 | | 8,60,000 |

On 1st April, 2025, they admitted Jyoti into partnership for $\frac{1}{4}$ th share in the profits of the firm. Jyoti brought proportionate capital and ₹40,000 as her share of goodwill premium.

The following terms were agreed upon :

- (i) Provision for doubtful debts was to be maintained at 10% on debtors.
- (ii) Stock was undervalued by ₹10,000
- (iii) An old customer whose account was written off as bad, paid ₹15,000.
- (iv) 20% of the investments were taken over by Arsh at book value.
- (v) Claim on account of workmen's compensation amounted to ₹70,000.
- (vi). Creditors included a sum of ₹27,000 which was not likely to be claimed.

Prepare Revaluation Account, Partners' Capital Accounts.