



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Accountancy	Department: Commerce
Worksheet No:2	Topic: ADMISSION OF A PARTNER Comprehensive Sums

1. On 31st March, 2019 the Balance Sheet of A and B, who were sharing profits in the ratio of 3 : 2 was as follows :

Balance Sheet of A and B as at 31st March, 2019

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	30,000	Cash at Bank	20,000
Investment Fluctuation Fund	12,000	Debtors 85,000	
General Reserve	25,000	Less : Provision for bad debts <u>5,000</u>	80,000
Capitals :		Stock	1,30,000
A 1,60,000		Investments	60,000
B <u>1,40,000</u>	3,00,000	Furniture	77,000
	<u>3,67,000</u>		<u>3,67,000</u>

On 1st April, 2019, they decided to admit C as a new partner for $\frac{1}{5}$ th share in the profits on the following terms :

- C brought ₹ 1,00,000 as his capital and ₹ 50,000 as his share of premium for goodwill.
- Outstanding salaries of ₹ 2,000 be provided for.
- The market value of investments was ₹ 50,000.
- A debtor whose dues of ₹ 18,000 were written off as bad debts paid ₹ 12,000 in full settlement.

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

2.

Divya, Yasmin and Fatima are partners in a firm, sharing profits and losses in 11:7:2 respectively. The balance sheet of the firm as on 31st March 2018 was as follows:

Balance Sheet
As at 31.3.2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	70,000	Factory Building	7,35,000
Public Deposits	1,19,000	Plant and Machinery	1,80,000
Reserve fund	90,000	Furniture	2,60,000
Outstanding Expenses	10,000	Stock	1,45,000
Capital accounts		Debtors	1,50,000
Divya	5,10,000	Less: Provision	(30,000)
Yasmin	3,00,000	Cash at bank	1,59,000
Fatima	5,00,000		
	15,99,000		15,99,000

On 1.4.2018, Aditya is admitted as a partner for one-fifth share in the profits with a capital of ₹4,50,000 and necessary amount for his share of goodwill on the following terms:

- i. Furniture of ₹2,40,000 were to be taken over Divya, Yasmin and Fatima equally.
- ii. A creditor of ₹ 7,000 not recorded in books to be taken into account.
- iii. Goodwill of the firm is to be valued at 2.5 years purchase of average profits of last two years. The profit of the last three years were:
2015-16 ₹6,00,000; 2016-17 ₹2,00,000; 2017-18 ₹6,00,000
- iv. At time of Aditya's admission Yasmin also brought in 50,000 as fresh capital
- v. Plant and Machinery is re-valued to ₹2,00,000 and expenses outstanding were brought down to ₹ 9,000. Prepare Revaluation Account, Partners Capital Account and the balance sheet of the reconstituted firm.

3.

On 31st March, 2020 the Balance Sheet of A and B, who were sharing profits in the ratio of 3:2 was as follows:

Balance Sheet of A and B as at 31st March, 2020

Liabilities	Amount	Assets	Amount
General Reserve	50,000	Sundry Debtors	1,70,000
Investment Fluctuation Fund	24,000	Less: PBDD	<u>10,000</u>
Employee Provident Fund	1,00,000	Cash at Bank	40,000
Creditors	60,000	Stock	2,60,000
Capital A/cs		Investment	1,20,000
A	3,20,000	Furniture	1,54,000
B	<u>2,80,000</u>	P&L A/c	1,00,000
	6,00,000		
	<u>7,34,000</u>		<u>7,34,000</u>

On 1st April, 2020, they decided to admit C as a new partner for 1/5th share in the profits on the following terms:

(i) C brought Rs. 2,00,000 as his capital and Rs.1,00,000 as his share of premium for goodwill. Half of the goodwill was withdrawn by the sacrificing partners.

(ii) Outstanding Rent of Rs. 4,000 be provided for.

(iii) The market value of investments was Rs. 1,00,000.

(iv) A debtor whose dues of Rs. 36,000 were written off as bad debts paid Rs. 24,000 in full settlement.

(v) Provision for Doubtful Debts is to be maintained @10%.

Prepare Revaluation Account, Capital Accounts of Partners and Bank Account.

4.

Balance Sheet of Ram and Shyam who shares profits in the ratio of their capitals as at 31st March 2019 is:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/cs:		Freehold Premises	20,000
Ram	30,000	Plant and Machinery	13,500
Shyam	25,000	Fixtures and Fittings	1,750
	55,000	Vehicles	1,350
Current A/cs:		Stock	14,100
Ram	2,000	Bills Receivable	13,060
Shyam	1,800	Debtors	27,500
	3,800	Bank	1,590
Creditors	19,000	Cash	950
Bills Payable	16,000		
	<u>93,800</u>		<u>93,800</u>

On 1st April, 2019, they admitted Arjun into partnership on the following terms:

(a) Arjun to bring ₹ 20,000 as capital and ₹ 6,600 for goodwill, which is to be left in the business and he is to receive 1/4th share of the profits.

(b) Provision for Doubtful Debts is to be 2% on Debtors.

(c) Value of Stock to be written down by 5% .

(d) Freehold Premises are to be taken at a value of ₹ 22,400; Plant and Machinery ₹ 11,800; Fixtures and Fittings ₹ 1,540 and Vehicles ₹ 800.

You are required to make necessary adjustments entries in the firm, give Balance Sheet of the new firm as at 1st April, 2019 and also determine the ratio in which the partners will share profits, there being no change in the ratio of Ram and Shvam

5. X and Y are partners in a firm sharing profits in the ratio of 3:2. The remaining capitals of X and Y after adjustments are Rs. 80,000 and Rs. 60,000 respectively. They admit Z as a partner on his contribution of Rs. 35,000 as capital for 1/5th share of profits to be acquired equally from both X and Y. The capital Accounts of the old partners are to be adjusted on the basis of proportion of Z's capital to his share in the business. Calculate the amount of the actual cash to be paid off or brought in by the old partners of the purpose.

6. A, B and C are partners in a firm sharing profits in the ratio of 3:2:1. D was admitted into the firm with 1/4th Share in profits, which he got 3/16th from A and 1/16th from B. The total capital of the firm as agreed upon was Rs. 1,20,000 and D brought in cash equivalent to 1/4th of this amount as his capital. The capital of other partners also had to be adjusted in the ratio of their respective share in profits by bringing in or paying cash. The capitals of A, B and C after all the adjustments related to revaluation of assets and reassessment of liabilities were Rs. 40,000, Rs. 35,000 and Rs. 30,000 respectively. Calculate the new capitals of A, B and C and record the necessary journal entries for the above transactions.

Sanjana and Alok were partners in a firm sharing profits and losses in the ratio 3 : 2.
On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of Sanjana and Alok as on 31-3-2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	60,000	Cash	1,66,000
Workmen's Compensation Fund	60,000	Debtors	1,46,000
		Less : Provision for doubtful debts	<u>2,000</u>
Capitals :		Stock	1,50,000
Sanjana	5,00,000	Investments	2,60,000
Alok	<u>4,00,000</u>	Furniture	3,00,000
	10,20,000		10,20,000

On 1st April, 2018, they admitted Nidhi as a new partner for 1/4th share in the profits on the following terms :

- (a) Goodwill of the firm was valued at ₹ 4,00,000 and Nidhi brought the necessary amount in cash for her share of goodwill premium, half of which was withdrawn by the old partners.
- (b) Stock was to be increased by 20% and furniture was to be reduced to 90%.
- (c) Investments were to be valued at ₹ 3,00,000. Alok took over investments at this value.
- (d) Nidhi brought ₹ 3,00,000 as her capital and the capitals of Sanjana and Alok were adjusted in the new profit sharing ratio.

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

8.

Shikhar and Rohit were partners in a firm sharing profits in the ratio of 7 : 3. On 1st April, 2013, they admitted Kavi as a new partner for 1/4th share in profits of the firm. Kavi brought ₹ 4,30,000 as his capital and ₹ 25,000 for his share of goodwill premium. The Balance Sheet of Shikhar and Rohit as on 1st April, 2013 was as follows:

BALANCE SHEET OF SHIKHAR AND ROHIT as at 1st April, 2013

Liabilities		₹	Assets		₹
Capital A/cs:			Land and Building		3,50,000
Shikhar	8,00,000		Machinery		4,50,000
Rohit	3,50,000	11,50,000	Debtors	2,20,000	
General Reserve		1,00,000	Less: Provision	20,000	2,00,000
Workmen's Compensation Fund		1,00,000	Stock		3,50,000
Creditors		1,50,000	Cash		1,50,000
		15,00,000			15,00,000

It was agreed that:

- the value of Land and Building will be appreciated by 20%.
- the value of Machinery will be depreciated by 10%.
- the liabilities of Workmen's Compensation Fund were determined at ₹ 50,000.
- capitals of Shikhar and Rohit will be adjusted on the basis of Kavi's capital and actual cash to be brought in or to be paid off as the case may be.

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

9

Gautam and Yashica are partners in a firm, sharing profits and losses in 3:1 respectively. The balance sheet of the firm as on 31st March 2018 was as follows:

**Balance Sheet
As at 31.3.2018**

Liabilities		Amt(₹)	Assets		Amt(₹)
Sundry creditors		50,000	Furniture		60,000
Bills payable		30,000	Stock		1,40,000
Capitals			Debtors		80,000
Gautam	4,00,000		Cash in hand		90,000
Yashica	1,00,000		Machinery		2,10,000
		5,00,000			
		5,80,000			5,80,000

Asma is admitted as a partner for 3/8th share in the profits with a capital of ₹2,10,000 and ₹50,000 for her share of goodwill. It was decided that:

- New profit sharing ratio will be 3:2:3
- Machinery will depreciated by 10% and Furniture by ₹5,000.
- Stock was re-valued at ₹ 2,10,000.
- Provision for doubtful debts is to be created at 10% of debtors.
- The capitals of all the partners were to be in the new profit sharing ratio on basis of capital of new partner any adjustment to be done through current accounts.

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

10. X and Y are in partnership sharing profits and losses in the ratio of 3:2. The capitals of X and Y after adjustment are Rs. 80,000 and Rs. 60,000 respectively. They admit Z as a third partner who is to contribute proportionate capital to acquire a $\frac{1}{5}$ th share of total capital of the new firm equally from both the partners X and Y. Calculate capital to be brought in by Z. Also, calculate the new profit sharing ratio of the partners in the new firm.

11.

Sarthak and Vansh are partners sharing profits in the ratio of 2 : 1. Since both of them are specially abled sometimes they find it difficult to run the business on their own. Mansi, a common friend, decides to help them. Therefore, they admit her into partnership for $\frac{1}{3}$ rd share in profits. She brings ₹ 60,000 for goodwill and proportionate capital. At the time of admission of Mansi, the Balance Sheet of Sarthak and Vansh was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/cs:			Plant		66,000
Sarthak	70,000		Furniture		30,000
Vansh	60,000	1,30,000	Investments		40,000
General Reserve		18,000	Stock		46,000
Bank Loan		18,000	Debtors	38,000	
Creditors		72,000	Less: Provision for Bad Debts	4,000	34,000
			Cash		22,000
		2,38,000			2,38,000

It was decided to:

- Reduce the value of Stock by ₹ 10,000.
- Plant is to be valued at ₹ 80,000.
- An amount of ₹ 3,000 included in Creditors was not payable.
- Half of the investments were taken over by Sarthak and remaining were valued at ₹ 25,000.

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

12.

On 31st March 2017, the Balance Sheet of Abhir and Divya, who were sharing profits in the ratio of 3 : 1 was as follows :

Balance Sheet of Abhir and Divya as on 31st March 2017

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	2,20,000	Cash at Bank	1,40,000
Employees' Provident Fund	1,00,000	Debtors	6,50,000
Investment Fluctuation Fund	1,00,000	<u>Less</u> Provision	
General Reserve	1,20,000	for bad debts	<u>50,000</u>
Capitals :		Stock	3,00,000
Abhir : 6,00,000		Investments (market value	5,00,000
Divya : <u>4,00,000</u>	10,00,000	₹ 4,40,000)	
	15,40,000		15,40,000

They decided to admit Vibhor on April 1, 2017 for 1/5th share.

- (a) Vibhor shall bring ₹ 80,000 as his share of goodwill premium.
- (b) Stock was overvalued by ₹ 20,000.
- (c) A debtors whose dues of ₹ 5,000 were written off as bad debts, paid ₹ 4,000 in full settlement.
- (d) Two months salary @ ₹ 6,000 per month was outstanding.
- (e) Vibhor was to bring in Capital to the extent of 1/5th of the total capital of the new firm.

Prepare Revaluation A/c, Partners' Capital A/c and the Balance Sheet of the reconstituted firm.

13.

On 31st March, 2019 the Balance Sheet of Madan and Mohan who share profits and losses in the ratio of 3 : 2 was as follows :

Balance Sheet of Madan and Mohan as at 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	28,000	Cash at Bank	10,000
General Reserve	10,000	Debtors	65,000
Employees Provident Fund	22,000	Less : Provision for Doubtful debts	<u>5,000</u>
Capitals :		Stock	33,000
Madan	60,000	Patents	57,000
Mohan	<u>40,000</u>		
	1,00,000		
	<u>1,60,000</u>		<u>1,60,000</u>

They decided to admit Gopal on 1st April, 2019 for 1/5th share which Gopal acquired wholly from Mohan on the following terms :

- (i) Gopal shall bring ₹ 10,000 as his share of premium for Goodwill.
- (ii) A debtor whose dues of ₹ 3,000 were written off as bad debt paid ₹ 2,000 in full settlement.
- (iii) A claim of ₹ 5,000 on account of workmen's compensation was to be provided for.
- (iv) Patents were undervalued by ₹ 2,000. Stock in the books was valued 10% more than its market value.
- (v) Gopal was to bring in capital equal to 20% of the combined capitals of Madan and Mohan after all adjustments.

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

14. A & B are partners sharing profits and losses in the ratio of 3:2. C is admitted for 1/4 and for which Rs. 30,000 and Rs. 10,000 are credited as a premium for goodwill to A and B respectively. The new profit sharing ratio of A:B:C will be _____

15. X and Y are partners in a firm with capital of Rs. 18,000 and Rs. 20,000. Z brings Rs. 10,000 for his share of goodwill and he is required to bring proportionate capital for 1/3rd share in profits. The capital contribution of Z will be _____

16. Navya and Radhey were partners sharing profits and losses in the ratio of 3: 1. Shreya was admitted for 1/5th share in the profits. Shreya was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:

Date	Particular	LF	Debit (₹)	Credit (₹)
	Shreya's Current A/c. Dr. To Navya's Capital A/c. To Radhey's Capital A/c (Being entry for goodwill treatment passed)		24,000	8,000 16,000

The new profit-sharing ratio of Navya, Radhey and Shreya will be:

17. Rohit and Mohit were partners in a firm sharing profits and losses in the ratio of 3:2. Rahul was admitted into partnership for share in profits. Goodwill of the firm was valued at Rs. 30,000. Rahul brought Rs. 40,000 as capital and Rs. 5,000 out of his share of goodwill premium in cash. At the time of Rahul's admission, goodwill was appearing in the books of the firm at Rs. 15,000. Pass necessary journal entries for the above transactions in the books of the firm on Rahul's admission.

18. X and Y were partners in the profit-sharing ratio of 3: 2. Their balance sheet as at March 31, 2022 was as follows:

Balance Sheet as at March 31, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
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	2,31,000	(-)Provision 7,000	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 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.

You are required to prepare revaluation account and partners' capital account.

19. Bhumi and Chavi were partners in a firm sharing profits and losses in the ratio of 5:3. They admitted Aditi in the firm on 1st April, 2022. On that date their Balance Sheet was as follows :

Balance Sheet of Bhumi and Chavi as at 1st April, 2022

Liabilities	Amount ₹	Assets	Amount ₹
Capitals :		Machinery	3,80,000
Bhumi 3,20,000		Furniture	50,000
Chavi <u>3,40,000</u>	6,60,000	Debtors	2,30,000
General Reserve	80,000	Stock	1,50,000
Bank loan	60,000	Cash	50,000
Creditors	60,000		
	<u>8,60,000</u>		<u>8,60,000</u>

Aditi was admitted in the firm with 1/3 share in profits on the following terms:

- (i) Aditi will bring Rs. 3,00,000 as her capital.
- (ii) Aditi will bring her share of goodwill premium in cash. Goodwill of the firm was valued on the basis of two years purchase of average profits of the last three years. Average profits of the last three years were 60,000.
- (iii) Machinery was revalued at Rs. 4,60,000.
- (iv) The capitals of Bhumi and Chavi were adjusted on the basis of Aditi's capital by opening current accounts. Prepare Revaluation Account and Partners' Capital Accounts