QP CODE: 22103036

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Reg No : ....

Name : ....

B.VOC DEGREE REGULAR / REAPPEARANCE EXAMINATIONS, AUGUST 2022

Third Semester

B.Voc Business Accounting and Taxation

TBOC305 - ACCOUNTING FOR PARTNERSHIP

2018 Admission Onwards

88C8D5CE

Time: 3 Hours Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What are the provisions related with profit sharing in partnership?
2. What is the calculation of openining capital in partnership?
3. What is Interest on Advances?
4. Differentiate between Super Profit method and Capitalization method?
5. What is average capital employed?
6. What is new profit sharing ratio?
7. What are the main changes occurred at the time of admission new partner?
8. What is the purpose preparing Revaluation a/c?
9. What do you mean by revaluation account?
10. What is insolvency of partner?
11. What are the items deals with Realisation a/c?
12. Briefly explain about transfer of undistributed profits / losses to partners' capital accounts .

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. On 1st April, 20X1 an existing firm had assets of Rs 75,000 including of Rs 5,000 Cash. Its creditors amounted to Rs 5,000 on that date. The firm had a Reserve Fur Rs 10,000

while partner's Capital accounts showed a balance of Rs 60,000. If the No Rate of Return is 20% and the goodwill of the firm is valued at Rs 24,000, at four of purchase of super profit, find the average profit per year, of the existing firm.

14. The Balance Sheet of Appu and Pappu on 31st December, 2016 is set out below they share profits and losses in the ratio of 2:1, (Liabilities)-Appu's Capital 40000, Pappu's Capital 30000, General Reserve 24000, Creditors 16000 (Assets)-Freehold Property 20000, Furniture 6000, Stock 12000, Debtors 60000, Cash 6000, Profit&Loss 6000. They agreed to admit Kappu into the firm subject to the following terms and conditions: (a) Kappu wil lbring in 21000 of which 9,000 will be treated as his share of Goodwill to be retained in the business (b) He will be entitled to one-fourth share of the profits. (c) 50% of the General Reserve is to remain as a Provision for Bad and Doubtful Debts. (d) Depreciation is to be provided on Furniture @5%. (e) Stock is to be revalued at 10500. Give necessary accounts and JE for treatment of Goodwill:

15. Explain how will you deal with goodwill when new partner is not in a position to bring his share of goodwill in cash?

16. How is the calculation of the Amount Due to Retiring/ Deceased Partner?

17. In the absence of Partnership deed, specify the rules relating to the following : (i) Sharing of profits and losses. (ii) Interest on partner's capital. (iii) Interest on Partner's drawings. (iv) Interest on Partner's loan (v) Salary to a partner.

18. Why a retiring/ deceased partner is entitled to a share of goodwill of the firm?

19. Explain the treatment of Salary in case of partnership accounting.

20. Singh, Gupta and Khan are partners in a firm sharing profits in 3:2:3 ratio. They admitted Jain as a new partner. Singh surrendered 1/3 of his share in favour of Jain: Gupta surrendered 1/ 4 of his share in favour of Jain and Khan surrendered 1/5 in favour of Jain. Calculate new profit sharing ratio?

21. Triphati and Chauhan are partners in a firm sharing profits and losses in the ratio of 3:2. Their capitals were Rs.60,000 and Rs.40,000 as on January 01, 2005. During the year they earned a profit of Rs. 30,000. According to the partnership deed both the partners are entitled to Rs. 1,000 per month as Salary and 5% interest on their capital. They are also to be charged an interest of 5% on their drawings, irrespective of the period, which is Rs. 12,000 for Tripathi, Rs. 8,000 for Chauhan. Prepare Partner's Accounts when, capitals are fixed.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. A and B are partners sharing profits and losses in the ratio of 3: 1. On Ist Jan. 2007 they admitted C as a new partner for 1 I 4 share in the profits of the firm. C brings Rs. 20,000 as for his 1 I 4 share in the profits of the firm. The capitals of A and B after all adjustments in respect of goodwill, revaluation of assets and liabilities, etc. has been worked out at Rs. 50,000 for A and Rs. 12,000 for B. It is agreed that partner's capitals will be according to new profit sharing ratio. Calculate the new capitals of A and B and pass the necessary journal entries assuming that A and B brought in or withdrew the necessary cash as the case may be for making their capitals in proportion to their profit sharing ratio?

23. Explain the treatment of goodwill at the time of retirement or on the event of death of a partner?

24. Explain statement of Piecemeal distribution and order of payment.

25. Explain the provision related to Loss in case of insolvency of partner.

(2×15=30)