# **KD EDUCATION**

# **TEST ID 1.1.122K18**

#### <u>Fundamental</u>

#### TIME : 2Hr

## MARKS:50

## **General Instructions:**

- a) 15 Minute are allowed for reading time
- b) All questions are compulsory.
- c) Questions 1 to 2 are of one mark each 2
- d) Questions 3 to 5 are of four marks each. 12
- e) Questions 6 to 7 are of six marks each. 12
- f) Questions 8 to 10 are of eight marks each. 24
- 1. What is partnership deed?

2 Give the circumstances in which the fixed capital of partner may change.

3 Distinguish between fixed & fluctuating capital.

4 X and Y are partners in a firm. X is to get salary of Rs.10,000 p.m. and a commission of 10% of net profit before charging any commission. Y is get a commission of 10% on net profit after charging his commission. Net profit for the year ended 31<sup>st</sup> March, 2017, before charging any commission was Rs.3,30,000. Show the appropriation and distribution of profit.

5 A, B and C are partners having capital of Rs.10,00,000; Rs.8,00,000 and Rs.6,00,000 respectively in a firm and sharing profits and losses equally. C is guaranteed a minimum profit of Rs.1,00,000 as share of profit every year. The firm incurred a loss of Rs.3,00,000 for the year ended 31<sup>st</sup> March 2017. You are required to show the necessary accounts for division of loss and giving effect to minimum guaranteed profit to C.

**6** A, B and C are partners. They have omitted interest on Capital @ 10% p.a. for the three years ended  $31^{st}$  March, 2017. Their fixed capitals on which interest was to be calculated throughout were: X – Rs.10,000; Y – Rs.8,000 and Z – Rs.7,000. Their profit-sharing ratios were: 2015 – 1 : 2 : 2; 2016 – 5 : 3 : 2; 2017 – 4 : 5 : 1. The firm earned profit of Rs.2,500 in each year. Pass necessary adjustment Journal entry.

Liabilities	Amount	Assets	Amount
Capitals : X Y	30,000 10,000	Sundry Assets	40,000
	40,000		40,000

7 X and Y are partners in a firm sharing profits and losses in the ratio of 3:2. The following was the Balance Sheet of the firm as on  $31^{st}$  March, 2010 :

The profits Rs.15,000 for the year ended 31.03.2010 were divided between the partners without allowing interest on capital @12% p.a. and salary to X Rs.500 per month. During the year, X withdrew Rs.5,000 and Y Rs.10,000.

(4)

Prepre the necessary adjustment entry and show your working clearly.

8 X, Y and Z were partners in a firm. They had no partnership deed. They had been in business for 4 years and their profit or loss for this period was: year ending March 2004 Rs.39,000, March 2005 Rs.54,000, March 2006 Rs.18,000 (loss) and March 2007 Rs.75,000. During the year 2007-08, they agreed to share profits and losses in the ratio of 2:2:1 with retrospective effect from the year 2003-04. It was also decided that an interest (charge) of 5% p.a. was to be provided on capitals (fixed). Their capitals were Rs.80,000, Rs.60,000 and Rs.60,000 respectively. Pass a single adjustment entry to adjust the capital accounts of the partners. After the flood in Uttrakhand, all partners decided to help the flood victims personally. State two values which the partners wanted to communicate to the society.

9 X and Y are partners sharing profit and losses in the ratio of 7 : 3. Their Capital Accounts as at 1<sup>st</sup> April, 2016 stood as X – Rs.5,00,000, Y – Rs.4,00,000. The partners are allowed interest on capital @ 5% p.a. The drawing of the partners during the year ended  $31^{st}$  March, 2017 amounted to Rs.72,000 and Rs.50,000 respectively. The profit for the year before allowing interest on capital and salary to Y @ Rs.5,000 per month amounted to Rs.8,00,000. 10% of the net profit is to be set aside as General Reserve . Assume Partner's Capital are fixed.

Pass Journal entries.

**10** A, B, C & D are partners having capitals of Rs.2,00,000, Rs.1,00,000, Rs.60,000 and Rs.40,000 respectively. They share profit and losses in the ratio of 3:1:3:1. They have Agreed upon the following terms:

- a) Partners are entitled to interest on capital @ 10%p.a.
- b) A will get salary Rs.8,000 per annum.
- c) B's share of profit (including interest on capital) has been guaranteed to be not less than Rs. 1,08,750.
- d) D's share of profits (including interest on capital) has been guaranteed by A to be not less than Rs.78,000.

The profit for the year ended 31<sup>st</sup> March, 2016 were Rs.6,70,000 before any appropriations. Prepare profit & Loss Appropriation Account.