INDIAN SCHOOL NIZWA

ACCOUNTANCY WORKSHEET-7

Chapter:4 Retirement and Death of a partner

DATE: _____ NAME: _____ CLASS: XII

Revaluation of Assets and Reassessment of Liabilities

Qn.1X,Y and Z were partners sharing profits and losses in the ratio of 2:2:1.On 31st March,2017,their balance sheet stood as under

Liabilities	₹	Assets	₹
Sundry Creditors	19,000	Building	25,000
Bank Loan	30,000	Sundry Debtors	25,000
Partner's Capital A/cs		Machinery	18,000
X 20,000		Cash in Hand	10,000
Y 15,000		Cash at bank	6,000
Z 10,000	45,000	Stock	10,000
	94,000		94,000

On 1st April 2017,Y decides to retire from the firm. On that date the assets and liabilities of the firm are revalued as follows:

a) Building is valued at ₹28,000
b) Value of stock has been increased by ₹5,000
c) Provision @5% is to be created for doubtful debts on debtors
d) Machinery is valued at ₹15,000
e) Amount due to sundry creditors has been decreased by ₹5,000

Pass necessary journal entries on revaluation of assets and liabilities and prepare a Revaluation A/c

Adjustment of Accumulated profits and reserves:

Qn.2 P Q and R are partners in a firm sharing profits in the ratio of 2:2:1.R retires and the Balance sheet of the firm on that date was as under:

Liabilities	₹	Assets	₹
Capital A/cs		Sundry Assets	3,25,000
P 1,00,000			
Q 80,000			
R 40,000	2,20,000		
General Reserve	60,000		
Creditors	30,000		
Profit &Loss Account	15,000		
	3,25,000		3,25,000

Show the necessary journal entries for the treatment of General Reserve and Profit &Loss A/c balance on R's retirement

Adjustment of Loss and Excess Specific Funds:

Qn.3A b and C are partners in a firm sharing profits in the ratio of 2:3:4.On April 1st 2017,a retires and on that date there was a debit balance of ₹72,000in the profit &loss account and C decided to share future profits in the ratio of 2:1.The workmen's compensation reserve was in excess of ₹45000.Show the necessary journal entry for the treatment of balance of Profit &loss A/c and WCR on A's retirement .