INDIAN SCHOOL NIZWA - WORKSHEET

ACCOUNTANCY

CH:3 Admission of a Partner

Name: __________________ Date:____________ Class: XII Sec: __

1. A and B are partners sharing profit and loss in the ratio of 3:2.C is admitted for $1/5^{th}$ share. Afterwards D enters for 25 paisa in the rupee. Calculate new ratio of A B C and D

2 A and B are partners sharing profits in the ratio of 3:2. C and D join the firm .A sacrifice ½ of his share in favour of C and B sacrifices $1/4^{th}$ in favour of D. Compute new ratio of A B C and D

3. A and B are partners sharing profits in the ratio of 3:2.C was admitted for $1/6^{th}$ share of profit with a minimum guarantee of ₹10,000.At the close of the first financial year , the firm earned a profit of ₹54,000.Find out the share of profit which A B and C will get.

4. P and Q are partners sharing profits in the ratio of 3:2.They admit R for $3/10^{th}$ share which he acquires in the ratio of 2:1from old partners. Calculate new ratio and sacrificing ratio

6 A,B and C are partners sharing profits in the ratio of ½:1/3:1/6 .D is admitted in the firm for 1/6 share. C's share will remain unchanged, calculate new ratio.

7. A,B and C were partners in a firm sharing profits in the ratio of 3:2:1.They admitted D as a new partner for $1/8^{th}$ share in the profits, which he acquired $1/16^{th}$ from B and 1/16 th from C. Calculate the new profit sharing ratio of A B C and D

8. Rajesh and Vikram are partners sharing profits and losses in the ratio of 3:2.They admit Varun as a new partner who gets 1/5 of his share of profit, entirely form Rajesh. Calculate new profit – sharing ratio

9. Nishitha and Anshu were partners sharing profits in the ratio of 3:2.They admitted Jyothi as a new partner for $3/10^{th}$ share which she acquired $2/10^{th}$ from Nishitha and $1/10^{th}$ from Anshu. Calculate the new profit sharing ratio of Nishitha Anshu and Jyothi.

10. Sandeep and Navdeep are partners in a firm sharing profits in the ratio 5:3.They admit Chethan into the firm and a new profit sharing ratio was agreed at 4:2:1.Calculate the sacrificing ratio

11. Shanthi and Sukdev are old partners sharing profits in the ratio of 5:3.Darshan joined as a new partner with$1/5^{th}$ share of profits. Calculate the new profit sharing ratio and sacrificing ratio.

12. L and M are partners sharing profits in the ratio of 5:3.They admit N for 1/4th share and agree to share profit between them in the ratio of 2:1 in future. Calculate new profit-sharing ratio and sacrificing ratio.
13. A and B are partners sharing profits in the ratio of 7:3.A surrenders 1/7th of his share and B surrendered 1/3rd of his share in favour of C, the new partner. What is the sacrificing ratio?
14. A and B are partners sharing profits and losses in the ratio of 3:2.They admit C into the partnership for 1/4th share in profits. C brings ₹ 3,00,000as capital and ₹1,00,000 as goodwill. New profit- sharing ratio of the partners shall be 3:3:2.Pass necessary journal entries.
15. George and Henry are partners sharing profits and losses in the ratio of 3:2.They decided to admit
David as a new partner and to share future profits and losses equally. David brings in ₹50,000 as his capital. Goodwill of the firm is valued at ₹60,000.Pass the necessary journal entries when goodwill already appears at ₹50,000 in the books
16. A and B were partners in a firm sharing profits in 4 : 3 ratio. On 1st April, 2017 they admitted C as a new partner. On the date of C's admission, the Balance Sheet of A and B showed a general reserve of ₹70,000 and a debit balance of ₹7,000 in the 'Profit and Loss Account'. Pass the necessary journal entries for the treatment of these items on C's admission.
17. Ashok and Ravi were partners in a firm sharing profits in the ratio of 7 : 3. They admitted Chander as a new partner. The profit-sharing ratio between Ashok, Ravi and Chander will be 2:2:1. Chander brought ₹24,000 for his share of goodwill. Pass necessary Journal entries for the treatment of goodwill.
18. A and B are partners in a firm sharing profits in the ratio of 3 : 1 . They admitted C as a new partner. The new profit-sharing ratio of A, B and C will be 2:1:1. C. brought ₹2,50,000 for his capital but could not bring his share of goodwill (premium) ₹l0,000 in cash. Pass necessary journal entries in the books of the m for the amount of capital brought in by C and for the treatment of goodwill.
19. Anubhav and Babita are partners in a firm sharing profits in the ratio of 3 : 2. On April 1,2017 they admit Deepak as a new partner for 3/13 share in the profits. Deepak contributed the following assets towards his capital and for his share of goodwill: land ₹90,000 , machinery ₹7 0,000, stock ₹60,000 and debtors ₹40,000. On the date of admission of Deepak, the goodwill of the firm was valued at ₹5,20,000, which is not to appear in the books. Record necessary journal entries in the books of the firm. Show your calculations clearly.
20. Mamta and Seema are partners in a firm, sharing profits in the ratio of 3:2. They admit Rakhi as a partner with l/4th share in the profits of the firm. Rakhi brings ₹8,00,000 as her share of capital. The value of the total assets of the firm was ₹16,00,000 and outside liabilities were valued at ₹2,00,000 on that date. Give the necessary journal entry to record goodwill at the time of Rakhi's admission. Also show your workings.
22. Charu and Harsha were partners in a firm sharing profits in the ratio of 3:2.On 1st April 2014their Balance sheet was as follows:

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	17,000	Cash	6,000
General reserve	4,000	Debtors	15,000
Workmen Compensation fund	9,000	Investment	20,000
Investment Fluctuation Fund	11,000	Plant	14,000
Provision for bad debts	2,000	Land &Building	38,000
Capitals			
Charu 30,000			
Harsha 20,000	50,000		
	93,000		93,000

On the above date Vaishali was admitted for 1/4th share in the profits of the firm on the following terms:

a) Vaishali will bring ₹20,000 for her capital and ₹4,000 for her share of goodwill premium.
b) All debtors were considered good.
c) The market value of investment was ₹15,000
d) There was a liability of ₹60,000for workmen compensation
e) Capital account of Charu and Harsha are to be adjusted on the basis of Vaishali's capital by opening current accounts..

Prepare Revaluation account and Partners' capital accounts.

23. Rajesh and Ravi are partners sharing profits in the ratio3:2.Their Balance Sheet stood as under on
31st March ,2017

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	77,000	Cash	4,000
Employees' provident fund	8,000	Stock	30,000
Capitals:		Prepaid insurance	3,000
Rajesh	52,000	Debtors: 18,800	
Ravi	26,000	Less: Provision 800	18,000
Workmen's compensation	5,000	Machinery	38,000
reserve	5,000	Building	70,000
Contingency reserve		Furniture	10,000
	1,73,000		1,73,000

Raman is admitted as a new partner introducing a capital of ₹32,000.The new profit -sharing ratio is decided as 5:3:2.Raman is unable to bring in any cash for goodwill. So it is decided to calculate the amount of goodwill on the basis of Raman's share in the profit and the capital contributed by him Following revaluations are made:

a) Stock to be depreciated by 5%

b) Provision for doubtful debts to be made at ₹1000
c) Furniture to depreciate by 10%
d) Building is valued at ₹80,000

Show the necessary journal Accounts and the Balance sheet of the new firm.

24. B and C were partners sharing profits in the ratio of 3:2.Their Balance Sheet as on 31st March,2017 was as follows

Liabilities	Amt(₹)	Assets	Amt(₹)
Capitals:		Land &Building	80,000
B 60,000		Machinery	20,000
C 40,000	1,00,000	Furniture	10,000
Provision for doubtful debts	1,000	Debtors	25,000
Creditors	60,000	Cash	16,000
		Profit& Loss Account	10,000
	1,61,000		1,61,000

'D' was admitted to the partnership for l/5th share in the profits on the following terms:

(1') The new profit-sharing ratio was decided as 2:2:1.

(ii) D will bring ₹30,000 as his capital and ₹15,000 for his share of goodwill.

(iii) Half of goodwill amount was withdrawn by the partner who sacrificed his share of profit in favour of 'D'.

(iv) A provision of 5% for bad and doubtful debts was to be maintained.

(v) An item of ₹500 included in Sundry Creditors was not likely to be paid.

(vi) A provision of ₹800 was to be made for claims for damages against the firm.

After making the above adjustments, the Capital Accounts of 'B' and 'C' were to be adjusted on the basis of D's Capital. Actual cash was 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.

25. Mohan and Mahesh were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2017 they admitted Nusrat as partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under:

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	2,10,000	Cash in hand	1,40,000
Workmen's compensation	2,50,000	Debtors	1,60,000
reserve	1,60,000	Stock	1,20,000
General reserve Capitals:		Machinery	1,00,000
Mohan 1,00,000		Building	2,80,000
Mahesh 80,000	1,80,000		
	8,00,000		8,00,000

It was agreed that: (i) The value of Building and Stock be appreciated to₹ 3,80,000 and ₹1,60,000 respectively.

(ii) The liabilities of workmen's compensation reserve was determined at ₹2,30,000.

(iii) Nusrat brought in her share of goodwill ₹1,00,000 in cash.
(iv) Nusrat was to bring further cash as would make her capital equal to 20% of the combined capital of Mohan and Mahesh after above revaluation and adjustments are carried out. (v) The future profit sharing ratio will be for Mohan -2/5th, Mahesh 2/5 th, Nusrat 1/5th.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the new' firm Also show clearly the calculation of Capital brought by Nusrat

26. A, B and C were partners in a firm sharing profits and losses in the ratio 3:2:1.On 31st March 2015,their Balance sheet was as follows:

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	84,000	Bank	17,000
General Reserve	21,000	Debtors	23,000
Capitals		Stock	1,10,000
A 60,000		Investments	30,000
B 40,000		Furniture &Fittings	10,000
C 20,000	1,20,000	Machinery	35,000
	2,25,000		2,25,000

On the above date D was admitted as a new partner and it was decided that:

1.The new profit sharing ratio between A, B, C and D will be 2 : 2 : l : 1.

2.Goodwill of the firm was valued at ₹90,000 and D brought his share of goodwill premium in cash.

3.The market value of investments was ₹24,000.

4.Machinery will be reduced to ₹29,000.

5.A creditor of ₹3,000 was not likely to claim the amount and hence to be written off.

6. D will bring proportionate capital so as to give him 1/6th share in the profits of the firm.

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

Calculation of New Ratio

27 Ramu and Shiva are partners in a firm sharing profits in the ratio of 3:2. They admit Ghanesh as a new partner. Ramu surrenders 1/4 of his share and Shiva 1/3 of his share in favour of Ghanesh. Calculate new profit sharing ratio of Ramu, Shiv and Ghanesh.

Ans:

Ramu's old share $= \frac{3}{5}$

Share surrendered by Ramu $= \frac{1}{4}$ of $\frac{3}{5} = \frac{3}{20}$

Ramu's new share $= \frac{3}{5} - \frac{3}{20} = \frac{9}{20}$

Shiva's old share $= \frac{2}{5}$

Share surrendered by Shiva $= \frac{1}{3}$ of $\frac{2}{5} = \frac{2}{15}$

Shiva's new share $= \frac{2}{5} - \frac{2}{15} = \frac{4}{15}$

Ghanesh's new share $= \frac{3}{20} + \frac{2}{15} = \frac{17}{60}$

New profit sharing ratio among Ramu, Shiva and Ganesh will be 27:16:17

28 Hari and Raj are partners in a firm sharing profits in the ratio of 4:3. They admit Jeeva as a new partner. Hari surrenders 1/4 of his share and Raj 1/3 of his share in favour of Jeeva. Calculate new profit sharing ratio of Hari, Shiv and Jeeva.

29 Aravind and Babu were partners in a firm sharing profits in 3:2 ratio. They admitted Chandran for 3/7 share which he took 2/7 from Aravind and 1/7 from Babu. Calculate new profit sharing ratio.

30 A and B were partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March ,2018 was as follows:

Balance Sheet of A and B as at 31st March,2018

Liabilities	₹	Assets	₹
Capital :		Cash	8,000
A 1,04,000		Sundry Debtors 37,600	
B 52,000	1,56,000	Less: Provision	
Creditors	1,54,000	for doubtful debts 1600	36,000
Employees'Provident	16,000	Stock	60,000
Fund	10,000	Prepaid Insurance	6,000
Workmen Compensation		Plant & Machinery	76,000
Fund	10,000	Building	1,40,000
Contingency Reserve		Furniture	20,000
	3,46,000		3,46,000

C was admitted as a new partner and brought ₹64,000 as capital and ₹15,000 for his share of goodwill premium. The new profit sharing ratio was 5:3:2

On C's admission the following was agreed upon:

- i Stock was to be depreciated by 5%
- ii Provision for doubtful debts was to be made at ₹2000
- iii Furniture was to be depreciated by 10%
- iv Building was valued at ₹1,60,000
- v Capitals of A and B were to be adjusted on the basis of C's Capital by bringing or paying of cash as the case may be.

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

Preparation of Final Accounts at The Time Of Admission of A Partner

31 (20 MIN) ARJUN and DWIJJU were partners in a firm sharing profits in 3:2 ratio. On Jan. 01, 2015 they admitted VIKRAM for 1/5 share in the profits. The Balance Sheet of ARJUN and DWIJJU as on Jan. 01, 2015 was as follows:

Balance Sheet of ARJUN and DWIJJU as on 1.1.2015

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Creditors Bills Payable ARJUN's capital DWIJJU's Capital	15000 10000 80000 35000	L&B Plant Debtors 22,000 Less:Provision2000 Stock Cash	35000 45000 20000 35000 5000
	140000		140000

It was agreed that:

i) The value of Land and Building be increased by Rs. 15,000.

ii) The value of plant be increased by 10,000.

iii) Goodwill of the firm be valued at Rs. 20,000.

iv) VIKRAM to bring in capital to the extent of $1/5^{th}$ of the total capital of the new firm.

Record the necessary journal entries and prepare ledger accounts of the firm after VKRAM's admission.

Dr. Revaluation A/C Cr.

Particular	Amount	Particular	Amount
Profit on Revaluation Transferred to capital account	25000	Plant and Machinery Building	15000 10000
	25000		25000

Partner's Capital A/C

Dr Cr.

Particular	A	D	V	Particular	A	D	V
To Current A/c To Balance C/d	59000 48000	21000 32000	 2000	By Balance b/d By Cash By Goodwill By Revaluation [Profit]	80000 12000 15000	35000 8000 10000	 20000
	107000	53000	20000		107000	53000	20000

Balance Sheet As on .....

Liabilities	Amount	Assets	Amount
B/P Creditors Out standing Capitals A D	10000 59000 2000 48000 32000	Cash Debtors Stock Plant and Machinery Building	45000 20000 35000 55000 50000

V	20000		
	205000		205000

32 (20 MIN) The following was the Balance Sheet of Ajay, Bwichu and Druv sharing profits and losses in the ratio of 6:5:3 respectively.

Balance Sheet as on…………………………………

Liability		Amount	Asset	Amount
Creditors		9,000	Land and Buildings	24,000
Bills Payable		3,000	Furniture	3,500
Capital Accounts			Stock	14,000
Ajay	19,000		Debtors	12,600
Bwichu	16,000		Cash	900
Druv	8,000	43,000		
		55,000		55,000

They agreed to take Jain into partnership and give him a share of 1/8 on the following terms:

a) that jain should bring in rs. 4,200 as goodwill and rs. 7,000 as his capital;

(b) that furniture be depreciated by 12%;

(c) the stock be depreciated by 10%

(d) that a reserve of 5% be created for doubtful debts:

(e) that the value of land and buildings having appreciated be brought up to rs. 31,000 (f) that after making the adjustments the capital accounts of the old partners (who continue to share in the same proportion as before) be adjusted on the basis of the proportion of jain's capital to his share in the business, i.e., actual cash to be paid off to, or brought in by the old partners as the case may be.

Prepare Cash Account, Profit and Loss Adjustment Account (Revaluation Account) and the Opening Balance Sheet of the new firm.

33 (12 MIN) A and B were partners in a firm sharing profits in 3; 2 ratio. C was admitted as a new partner for 1/4th share in the profits on April 1, 2015. The Balance Sheet of the firm on March 31, 2015 was as follows:

Balance Sheet of A and B As at March 31, 2015

Liabilities		₹	Assets	₹
Creditors		20,000	Cash	20,000
General Reserve		16,000	Debtors	18,000
Capitals:			Stock	20,000
A	96,000		Furniture	12,000
B	68,000	1,64,000	Machinery	40,000
			Buildings	90,000
		2,00,000		2,00,000

The terms of agreement on C's admission were as follows:

a) C brought in cash ₹60,000 for his capital and ₹30,000 for his share of goodwill.

b) Building was valued at ₹ 1,00,000 and Machinery at ₹ 36,000.
c) The capital accounts of A and B were to be adjusted in the new profit-sharing ratio. Necessary cash was to be brought in or paid off to them as the case may be.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of A, B and C.