INDIAN SCHOOL NIZWA - WORKSHEET

ACCOUNTANCY

CH 4 :Retirement and Death Of a Partner Class: Xll Sec: ___

1. MANIKA ,NISHTHA AND SAKSHI WERE PARTNERS IN A FIRM SHARING PROFITS IN THE RATIO OF 2:2:1 RESPECTIVELY. ON 31ST MARCH,2013 THEIR BALANCE SHEET WAS AS UNDER:

BALANCE SHEET
AS ON 31ST MARCH,2013

LIABILITIES	AMOUNT	ASSETS	AMOUNT
CAPITALS:		FIXED ASSETS	3,60,000
MANIKA 2,80,000		DEBTORS	2,80,000
NISHTHA 3,00,000		STOCK	1,30,000
SAKSHI 1,00,000	6,80,000	CASH	4,60,000
RESERVE FUND	3,00,000		
CREDITORS	2,50,000		
	12,30000		12,30,000

SAKSHI DIED ON 1ST JULY,2013.IT WAS AGREED BETWEEN HER EXECUTORS AND THE REMAINING PARTNERS THAT:

1. GOODWILL OF THE FIRM BE VALUED AT 3YEARS PURCHASE OF AVERAGE PROFITS FOR THE LAST THREE YEARS.THE AVERAGE PROFITS WERE ₹5,00,000
2. INTEREST ON CAPITAL BE PROVIDED AT 12%PA
3. HER SHARE IN THE PROFITS UPTO THE DATE OF DEATH WILL BE CALCULATED ON THE BASIS OF AVERAGE PROFITS FOR THE LAST THREE YEARS.

PREPARE PARTNER'S CAPITAL ACCOUNTS AS ON 1ST JULY,2013

2.P Q AND R WERE PARTNERS IN A FIRM SHARING PROFITS IN THE RATIO OF 5:6:9.ON 31.12.2009,THEIR BALANCE SHEET WAS AS FOLLOWS

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
CREDITORS	30,000	CASH	10,000
BILLS PAYABLE	40,000	BANK	80,000
GENERAL RESERVE	60,000	STOCK	40,000
CAPITALS:		DEBTORS	70,000
P 1,30,000		BUILDING	2,00,000
Q 2,00,000		LAND	3,00,000
R 4,00,000	7,30,000	PROFIT &LOSS A/C	1,60,000
	8,60,000		8,60,000

R DIED ON 31.1.2010.THE PARTNERSHIP DEED PROVIDED FOR THE FOLLOWING ON THE DEATH OF A PARTNER:

- GOODWILL OF THE FIRM WAS TO BE VALUED AT 3YEARS PURCHASE OF THE AVERAGE PROFITS OF THE LAST FIVE YEARS. THE PROFITS FOR THE YEARS ENDING 31.12.2008, 31.12.2007, 31.12.2006,AND 31.12.2005 WERE ₹80,000,80,000,₹1,10,000 AND ₹2,20,000 RESPECTIVELY
- R'S SHARE OF PROFIT OR LOSS TILL THE DATE OF HIS DEATH WAS TO BE CALCULATED ON THE BASIS OF THE PROFIT OR LOSS FOR THE YEAR ENDING 31.12.2009

YOU ARE REQUIRED TO CALCULATE THE FOLLOWING

(1)GOODWILL OF THE FIRM AND R'S SHARE OF GOODWILL AT THE TIME OF HIS DEATH

(2)R'S SHARE OF PROFIT OR LOSS OF THE FIRM TILL THE DATE OF HIS DEATH.

PREPARE R'S CAPITAL ACCOUNT ALSO AT THE TIME OF HIS DEATH TO BE PRESENTED TO HIS EXECUTORS.