INDIAN SCHOOL NIZWA

ACCOUNTANCY WORKSHEET-5

CH:3Reconstitution of Partnership: Admission of a Partner

DATE: _____ NAME: _____ CLASS :XII

**Comprehensive problem**

Q.1 A and B are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet as at 31st March ,2017 stood as under

| Liabilities | ₹ | Assets | ₹ |
|---|---|---|---|
| Capital Accounts | | Machinery | 33,000 |
| A 35,000 | | Furniture | 15,000 |
| B 30,000 | 65,000 | Investments | 20,000 |
| General Reserve | 10,000 | Stock | 23,000 |
| Bank Loan | 9,000 | Debtors 19,000 | |
| Creditors | 36,000 | Less provision 2,000 | 17,000 |
| | | Cash | 12,000 |
| | 1,20,000 | | 1,20,000 |

On that date, they admitted C into partnership for 1/4th share in the profit on the following terms: C brings Capital proportionate to his share .He brings ₹7,000 in cash as his share of goodwill .Debtors are all good .Depreciate stock by 5% and furniture by 10%.An outstanding bill for repairs ₹1000will be brought in books. Half of the investments were to be taken over by A and B in their profit sharing ratio at book value. Bank loan is paid off. Partners agreed to share future profits in the ratio3:3:2.

Prepare Revaluation A/c ,Partners capital A/c s and Balance sheet after admission of C into the partnership