XII ACCOUNTS TEST ON LESSON – 1, 2 FROM BOOK I AND II

TIME: 1½ HOURS **M.M.: 30**

1. On 1st January 2029, an existing firm had assets of Rs. 2,00,000 including cash of Rs. 4,000. Its creditors amounted to Rs. 10,000 on that date. The partners' capital A/c showed a balance of Rs. 1,60,000 while the reserve fund amounted to Rs. 30,000. If the normal rate of return is 15% and the goodwill of the firm is valued at Rs. 36,000 at 3 years' purchase of super profit. Find the Average Profits of the firm. **(2)**

2. A business earned an average profit of Rs. 4,00,000 during the last few years. The normal rate of profits in the similar type of business is 10%. The total value of assets and liabilities of the business were Rs. 40,00,000 and Rs. 7,20,000 respectively.

Calculate the value of goodwill of the firm by :

1) By Capitalisation of Super Profit Method.

2) By Super profit method if the goodwill is valued at 3 years' purchase of super profits. **(3)**

3. A and B are partners sharing profits and losses in the ratio of 5 : 3. On 1st April, 2027 C is admitted to the partnership for 1/4th share of profits. For this purpose, goodwill is to be valued at 2 years' purchase of last three years' profits (after allowing partners' remuneration).

Profits to be weighted 1 : 2 : 3, the greatest weight being given to last year. Net profit before partners' remuneration were: 2024–25: Rs. 2,00,000; 2025–26: Rs. 2,30,000; 2026–27: Rs. 2,50,000. The remuneration of the partners is estimated to be Rs. 90,000 p.a. Calculate the amount of Goodwill. **(3)**

4. A and B are in partnership sharing profits in ratio of 3 : 2. They decided to admit C, their manager, as a partner with effect from 1st April, 2023, giving 1/4th share of profit.

C, while a Manager, was in receipt of a salary of Rs. 27,000 p.a. and a commission of 10% on the profits after charging such salary and commission.

In terms of the partnership Deed, Any excess amount, which C will be entitled to receive as a partner over the amount which would have been due to him if he continued to be the manager, would have to be Personally borne by A out of his share of profits. Profits for the year ended 31st March, 2024 amounted to Rs. 2,25,000. Prepare the Profit & Loss Appropriation Account. **(4)**

5. From the following information, prepare Comparative Statement of Profit and Loss of Papa Ltd.: **(4)**

Particulars	31st March, 2027	31st March, 2026
Revenue from Operations	Rs 50,00,000	Rs. 40,00,000
Other Incomes	Rs. 2,00,000	Rs. 10,00,000
Employee Benefit Expenses	60% of total Revenue	50% of total Revenue
Other Expenses	10% of Employee Benefit Expenses	20% of Employee Benefit Expenses
Tax Rate	40%	40%

6. A, B & C were partners in a firm sharing profit in the ratio of 1:2:1. After division of the profit for the year ended 31-3-2022 their capitals were Rs. 1,60,000; Rs. 1,20,000; and Rs. 1,60,000 respectively.

The profit of the year was Rs. 60,000. During the year A and B each withdrew a total sum of Rs. 48,000 in equal instalment in the middle of every month and C withdrew a total sum of Rs. 36,000 in equal instalment at the end of each month.

The partnership deed provided that Interest on drawings was to be charged @ 8% p.a. and interest on capital is to be allowed @ 10 %p.a. Pass the necessary adjustment entry for providing interest on capitals & Drawings. Show your workings clearly. **(6)**

7. Under what heads the following items are shown in the Balance Sheet of a Mukesh Sir Company: **(8)**

1) Deposits; **2)** work-in-progress; **3)** Bills of Exchange; **4)** Government Securities;

5) Outstanding Insurance; **6)** Livestock; **7)** Computer Software;

8) Surplus, i.e., Balance in Statement of Profit and loss (Dr.)