

**12 Th STD II MIDTERM TEST-CHENNAI
ACCOUNTANCY -KEY
PART –A**

S No	Option	Answer
1	b	Asset
2	b	B s Capital account
3	c	Goodwill
4	c	3
5	b	profit
6	b	continue
7	b	3:1
8	b	LoanA/c
9	c	sacrifice
10	b	necessary

PART=11

11. Profit and loss Appropriation account -
Profit and Loss Account need certain adjustments with regard to interest on capitals, interest on drawings, salary and commission to the partners

12 Accumulated Reserves-

Partners of the firm, may set aside a portion or percentage of the profit earned to meet the unexpected or unforeseen losses arise in future in the name of Reserve, General Reserve, Reserve Fund, Contingency Reserve etc

13. Sabari = $400 \times 12 = 4800$
 $4800 \times \frac{11}{24} \times \frac{10}{100} = 220$
 Solairaj = $800 \times 12 = 9600$
 $9600 \times \frac{13}{24} \times \frac{10}{100} = 520$

14 Sacrifice Ratio- The old partners have agreed to sacrifice their shares in profit in favour of a new partner is called the sacrificing ratio.

Old profit sharing ratio – New profit sharing ratio
Sacrifice = Old share – New share

15 Reserves Fund a/c Dr 36000
 To ,Mahendran capital a/c 20000
 Narasimam capital a/c 16000
 (R/F transfer to capital a/c)

16 $4200 + 4500 + 4700 + 4600 + 5000 / 5 \times 3 = 13600$

PART-3

17 Manjula

Date of drawn	Amount	period	product
1-4-2004	60000	3	180000
30-6-2004	52000	9	468000

Total product 648000
 $TP \times \frac{5}{100} \times \frac{1}{12} = 648000 \times \frac{5}{100} \times \frac{1}{12} = 2700$
 vennila

Date of drawn	Amount	period	product
1-4-2004	50000	6	300000
30-9-2004	60000	6	360000
		Total product	660000

T product $\times \frac{5}{100} \times \frac{1}{12}$
 $660000 \times \frac{5}{100} \times \frac{1}{12} = 2750$

18 P Q R
 3; 2 1/5

$\frac{1}{5} \times 2 = \frac{2}{5}$

P = $\frac{3}{5} - \frac{2}{5} = \frac{1}{5}$

Q = $\frac{2}{5} - \frac{1}{5} = \frac{1}{5}$

New profit ratio = **5/10, 3/10, 2/10**

Sacrificing Ratio = New ratio - old ratio = 1;1

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a) Investment a/c Dr 18000
 To Revaluation a/c 18000
 b) Revaluation a/c Dr 54000
 To Stock 18000
 To furniture 6000
 To Machinery 30000
 To w/compen 24000

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Profit –Remuneration
 $54000 - 9000 = 45000$
 $300000 \times \frac{10}{100} = 30000$
 15000

Goodwill = 15000 x 2 = 30000

21 .Factors affecting the value of goodwill:

1. Quality: 2. Location: 3. Efficient management:
4. Competition: 5. Advantage of patents:

22

A partner may retire from the firm

1. with the consent of all the partners
2. in accordance with an express agreement by the partners
3. where the partnership at will by giving notice in writing to all the other partners of his intention to retire.

PART-4

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Basis	Fixed Capital	Fluctuating Capital
Change in capital	The capital normally remains unchanged except under special circumstances.	The capital is changing from period to period.
Number of Accounts	two accounts, namely, Capital Account and Current Account	only one account i.e., Capital Account
Balance	Capital Account shows always a credit balance. Current account may sometimes show debit or credit balance.	Capital Account shows always a credit balance
Adjustments	All adjustments relating to partners are recorded in the Current Accounts.	All adjustments relating to partners are recorded directly in the Capital Accounts itself

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Basis of Distinction	Sacrificing Ratio	Gaining Ratio
Meaning	It is the ratio in which the old partners have agreed to sacrifice their shares in profit in favour of new partner.	It is the ratio in which the continuing partners acquire the outgoing partner's share.
purpose	It is calculated to determine the amount of compensation to be paid by the incoming partner to the sacrificing partners.	It is calculated to determine the amount of compensation to be paid by the incoming partner to the sacrificing partners.
caluclation	It is calculated	It is calculated by

	by taking out the difference between old ratio and new ratio	taking out the difference between new ratio and old ratio.
Time	It is calculated at the time of admission of a new partner.	It is calculated at the time of admission of a new partner.

.24 A

Profit and loss Appropriation account

par	Rs	par	Rs
To int on capital A-9000	15000	By Net profit	
B-6000		Int on drawing A-500	60000
A-salary	15000	B-250	750
Profit A-15305- B 153o5	30750		
	60750		60750

Capital account

par	Annathi	Aravind	par	Annathi	Aravind
To drawings	15000	10000	By balance B/d	150000	100000
Int on Drawings	500	250	Int on capital	9000	6000
Bal c/d	173805	111035	Shre of profit salary	15305	15305
	189305	121305		15000	
				189305	121305

B

Fluctuating Capital account

par	Ramu	Somu	par	Ramu	Somu
To Draws	18000	15000	By balance B/d	90000	60000
Int on Drawings	500	300	Int on capital	5400	3600
Bal c/d	94900	56300	Shre of profit salary	12000	8000
	103400	71600		6000	
				103400	71600

Fixed method of capital

par	Ramu	Somu	par	Ramu	somu
To Bal c/d	90000	60000	By Bal b/d	90000	60000
	90000	60000		90000	60000

Current Account

par	Ramu	Somu	par	Ramu	somu
To drawings	18000	15000	Int on capital	5400	3600
Int on drawing	500	300	Share of profit	12000	8000
Bal c/	4900		Salary	6000	3700
	23400	15300	Bal c/		
				23400	15300

25 **Revaluation account**

par	Rs	par	Rs
To Stock	6000	By L/B	14000
P/o/L	4000		
Profit			
C 2400	4000		
A 1600			
	14000		14000

Capital account

PAR	CHAN	ARUM	PAR	CHAN	ARUM
To Bal c/d	106400	77600	By Bal b/d	80000	6000
			Rv pro GW	2400	1600
				24000	16000
	106400	77600		106400	77600

Saravanan Capital account

PAR	RS	PAR	RS
To Bal c/d	60000	BY Cash	60000
	60000		60000

Balance Sheet

Liab	Rs	asset	Rs
S. crs	160000	Bank	80000
B/P	40000	L/B	154000
o/s	4000	P/M	80000
Capitals	106400	Stock	34000
C	77600	S Debtors	60000
A	60000	Goodwill	40000
S			
	448000		448000

25 B **Revaluation account**

par	Rs	par	Rs
To Stock	11500	By Loss	
Fur	2500	L 15750	
P/M	3750	J 10500	
Buil	20000	K 15750	42000
PDD	4250		
	42000		42000

Capital account

PAR	J	K	PAR	J	K
Loss	10500	15750	By Bal b/d	125000	150000
To Bal c/d	127500	153750	P/L	5500	8350
			G/W	7500	11250
	138000	169500		138000	169500

L Capital account

PAR	RS	PAR	RS
To Loss	15750	By bal b/d	200000
Cash	203750	P/L	8250
		G/W	11250
	219500		219500

Balance Sheet

Lia	Rs	Asset	Rs
S Crs	62500	Cash- 750	
B/P	32000	Bank204500	
O/s	500	205250	
J Cap	127500	-L Loan	
K Cap	153750	203750	1500
		Drs 89000	
		-Pdd 4250	84750
		Stock	100000
		Fur	15000
		PM	45000
		Build	100000
		G/W	30000
	376250		376250