

Q1. Choose the correct option -

- The balance of partners capital account will reduce with
(a) interest on capital (b) interest on drawing (c) salaries (d) interest on partners loan
- Partners current accounts are prepared when capital account are
(a) fixed (b) fluctuating (c) both a& b (d) none of these
- If the data of with drawing are not maintained, interest on drawing should be charged for
(a) 5% (b) 6% (c) 10% (d) 8%
- Sacrificing ratio is -
(a) new ratio - old ratio (b) old ratio - new ratio (c) old ratio - gaining ratio (d) none of these
- Undistributed profit and reserve are transfer to
(a) cash a/c (b) bank a/c (c) partners capital a/c (d) profit and loss a/c
- What would be the annual rate of interest if payable amount is not paid to the dead partners legal executor
(a) 10% (b) 5% (c) 6% (d) 7%

Q.2 Fill in the blanks -

- Life insurance reserve fund is transferred to capital account.
- Revaluation account is a account
- Decrease in liabilities is firms
- of a partnership is a change in relationship among the partners.
- The purpose of calculating sacrifice ratio is to determine the compensation to be paid by the partners.
- The partnership originates with

Q.3 Write True and False -

- Goodwill is a saleable asset.
- The surrender ratio of profit is called sacrificing ratio.
- Revaluation account is prepared on the assets sold.
- Joint life policy has no surrender value.
- Retiring partner has no right over the amount of goodwill
- Death of a partner will affect the reconstitution of partnership

Q.4 Match the following -

- | A | B |
|----------------------------------|-----------------------------------|
| 1. Reconstitution of partnership | (a) Goodwill |
| 2. Admission of a partner | (b) Compensation |
| 3. Loss of revaluation account | (c) Reconstitution of partnership |
| 4. AS-26 is related to | (d) Reconstitution of firm |
| 5. Post amount of reserve | (e) Retirement |
| 6. To take leave from the firm | (f) Executor of deceased partner |
| 7. Loss of revaluation account | (g) Dr. side in capital account |

Q5. Answer in one word or sentence -

- Why is sacrificing ratio calculated?
 - The difference between old ratio and new ratio is /
 - What is super profit?
 - What is meant by partnership?
 - Give two reason of reconstitution of partnership?
 - Write one reason for retirement of a partner?
 - To whom the amount is paid on death of a partner?
- Q.6 Discuss any two reason of retirement of a partner? OR How is amount due to deceased partner paid off?
- Q.7 What is normal profit? OR How is average profit calculated?
- Q.8 Explain the meaning of gaining ratio? OR Accounting Standard -26 is related to?
- Q.9 When does a partner retire from the firm? OR Why is a joint life policy taken?
- Q.10. When realisation account open? OR What do you mean by dissolution of a firm?
- Q.11. What is partnership deed? OR What is a guarantee of profit?
- Q.12. What is fixed capital? OR Give the proforma of partners capital & current account?

Q13. Give the definition of partnership ? **OR** What is capital account ?

Q14. What is accounting standard - 26 ? **OR** Give journal entry 1. On increase of value of assets 2. On decrease in value of assets

Q15. What is revaluation account ? **OR** Write the meaning of retirement of a partners .

Q16. Write the difference between sacrificing ratio and gaining ratio? **OR** A, B, and C are partners in a firm sharing profit & loss in the ratio 2:2:1 . On 1 April 2017 , they decided to share profit and loss equally . Calculate the sacrifice and gaining ratio .

Q17. Why is revaluation account is prepared ? **OR** Write the difference between Fixed capital and fluctuating capital account .

Q18. Write the method of valuation of goodwill? **OR**

The profit of the firm for five years as follow 20000/ 24000/-, 30000/-, 25000/-, and 18000 /-. Calculate the value of goodwill on the basis of three years of purchase .

Q19. What is goodwill ? What factors affect goodwill ? **OR**

A and B were partners in a firm P/L sharing ratio 3:2 . They decided C in to the partnership with 1/6 share in the profit . Calculate the new profit sharing ratio .

Q20. Explain the modes of payment retiring partner ? **OR** What are the different ways in which a partner can retire from the firm .

Q21. Give two circumstances under when the fixed capitals of partners may change? **OR** List any four contents of partnership deed :

Q22. Calculate goodwill if it is to be calculated at three years of the super profit . The firm started business with capital of Rs. 200000/- The normal rate of earning in this class of business is 15% . The firm earned Rs. 37000/- as profit during the years?

Write the difference between average profit method and super profit method ?

Q.23 - Sunflower and pink rose started partnership business on april 2016 with capital Rs. 250000 , and Rs. 150000 respectively on October 01 , 2016 they decided that their capital should be rs. 200000 each. The necessary adjustments in the capital are made by introducing or with drawing cash. Interest on capital is to be allowed @10% p.a. calculate inters on capital as on 31 march 2017

Write the special aspects by partnership account.