

Admission of a Partner

TIME 1 HOUR
TEST
MARKS 20

Q.1 Calculate the new and sacrificing ratio.

- a. Ravi, Lalu and kunnal are partners in a firm sharing profits in the ratio of 3:2:1. They admit Navin for $\frac{1}{6}$ th share. It is agreed that kunnal would retain his original share. **2**
- b. A and B are partners sharing profits and losses in the ratio of 3:2 C is admitted for $\frac{1}{4}$ th share. A and B decide to share equally in future. **2**
- c. A and B are partner. They admit C for $\frac{1}{4}$ th share. C acquired this share equally from A and B. **2**

Q.2 Arjun and Bhim are partners in a firm sharing profits in the ratio of 2:3. They admitted Nakul as a new partner. The new profits sharing ratio of Arjun, Bhim and Nakul will be equal. Nakul brought Rs 60,000 for his capital and Rs 15,000 for $\frac{1}{3}$ rd share of goodwill out of his share of Rs 20,000. At the time of his admission goodwill appeared in the books of the firm at Rs 25,000. Record necessary journal entries. **3**

Q.3 Give journal entries for revaluation of following in the books of partnership firm of A and B who share profits and losses in the ratio of 2:1.

- a. A bad debts provisions stand in the balance of the firm was Rs 1000. But at the time of admission of new partner C, debtors are all good.
- b. Stock includes Rs 3,000 for obsolete items. **2**

Q.4 A and B are partners in a firm sharing profits and losses in the ratio of 3:1. The Balance Sheet of the firm as on 31st December, 2003 was as follows

Liabilities	Amount	Assets	Amount
Creditors	1,800	Bank	1,000
Workmen's compensation fund	1,200	Bills Receivable	2,500
General Reserve	2,100	Debtors	4,000
Capital		-Provision	500
A	6,000	Stock	3,000
B	4,900	Investment	5,000
		Goodwill	1,000
	16,000		16,000
	=====		16,000

On the above date C is admitted for $\frac{2}{5}$ th share in the profits of the firm and the following revaluations were made.

1. Accrued incomes not appearing in the books Rs 100.
 2. Market value of investment is Rs 4,500.
 3. Claim on account of workmen's compensation is estimated at Rs 150.
 4. X, an old customer whose account was written off as bad, has promised to pay Rs 350 in settlement of his full debt.
 5. C is required to bring Rs 8,000 as capital and Rs 2,000 as goodwill. His share of goodwill was calculated as Rs 2,400.
- You are required to give necessary ledger and initial Balance sheet of the firm. **9**

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