Capital Coaching
SINCE 1992

Admission of a Partner

TIME: 1Hr. **M.M 20**

Q.1 The Balance Sheet of P And T who share profits and Losses in the ratio of 3:1, as at 31st March,2011

Balance Sheet

Liabilities	Amount	Assets		Amount
Creditors	1,000	Cash		2,500
Workmen's Compensation Reserve	4,000	Debtors Less: Provisions	6,000 500	5,500
Investment Fluctuation Reserve	1,000	Stock		2,000
General Reserve	2,000	Investments		6,000
P's Capital a/c	6,000	Building		2,000
T's Capital a/c	4,000			
	18,000			**18,000**

On 1.04.11, K was admitted for 1/5th share on the following terms:
The market value of Investments is to be taken as Rs. 4,200.
Unaccounted Accrued Income of Rs. 200 be accounted for.
A claim on account of Workmen's Compensation for Rs. 1,000 be Provided for.
Provision for bad debts was found to be excess by Rs. 200.
K shall bring Rs. 2,000 as his share for goodwill and Rs. 5,000 for capital.
That total capital of all partners of the new firm is agreed to be adjusted on the basis on K's capital and adjustment is to made by opening current account.
You are required to prepare Revaluation A/c, Partners' Capital A/c and Balance Sheet of the firm. *8*

Q.2 Rajinder and Surinder are partners in a firm sharing profits in the ratio of 4:1. On April 15, 2007 they admit Narender as a new partner. On that date there was a balance of Rs. 20,000 in general reserve and a debit balance of Rs. 10,000 in the profit and loss account of the firm. Pass necessary journal entries regarding adjustment of accumulated reserve and profit or loss. *4*

Q.3 Calculate new and sacrificing ratio.
a. X and Y are partners sharing profits in the ratio of 2:1. Z is admitted into partnership for 1/4th share. X and Y will share the future profits in the ratio of 3:2.
b. S and M are partners sharing profits in the ratio of 2:1. They admit N into partnership as a partner. S gives 1/6th of his share while M gives 1/5th from his share. *4*

Q.4 Mohan and Sohan were partners in a firm sharing profit in the ratio of 3:2.They admitted Rohan as a partner for 2/9th hare in the profits. Rohan brought Rs 50000 for his capital. His share of goodwill was Rs 8000 but he could bring only Rs 5000.The new profit sharing ratio between the partners will be 4:3:2.Pass journal entries in the books of the firm on admission of a new partner *4*

Prepared by: S.K. Ahuja

capitalcoaching.in(9999966794)