**PARTNERSHIP (FUNDAMENTAL)**

# **Q1**. X and Y are two partners sharing profits equally X draws regularly Rs.200 at the end of every month for the six months ending 30th June, 2001 Calculate interest on drawings at 5% p.a.

# **Q2.** From the following balance sheet of X and Y, calculate interest on capital at 5% p.a. For the year ending 31st December, 2000

# Balance Sheet

# As on 31st Dec.,2000

|  |  |  |  |
| --- | --- | --- | --- |
| X’s capitalY’s capitalProfit and loss appropriate account -2000 | Rs.10,0008,0004,000 | SundryDrawings, X | Rs.21,0001,000 |
|  | 22,000 |  | 22,000 |

# During the year 2000, X’s drawings were Rs.1,000 and Y’s drawings Rs.3,000 Profit during the year 2000 were Rs.6,000.

# **Q.3**. A, B and C were in partnership. A and B sharing profits in the proportion of 3:1 and C receiving a salary of Rs.25,000 plus 5% of the plus charging his salary and his 5% of the profit, or 1/7th of the profit of the firm whichever is the larger. Any excess to the latter over the former is, under the partnership agreement, to be charged to A. The profit for the year ended on 31st December 2000 was Rs.2,87,000 after charging C’s salary.

# You are required to show the distribution of profit among the partners.

# **Q.4.** Mr. Ashok Gupta is a partner in a firm. He withdrew the following amounts during

# The year 1996: - Rs.

# **January 31 8,000**

# March 31 6,000

# June 30 5,000

# September 30 12,000

# October 31 10,000

# Calculate interest on drawings @ 9% p.a. for the year ended on 31st December, 1996.

# **Q.5**. X, Y and Z are partner in a firm. You are informed that (I) X draws Rs. 4,000 from the firm at the beginning of every month, (ii) Y draws Rs. 4,000 from the firm at the end of every month, and (iii) Z draws Rs. 4,000 from the firm in the middle of every month interest on drawing is to be charged @ 9% p.a. Calculate interest on partners drawings.

# **Q.6**. A and B commenced business on 1st January, 1990 with capital of Rs. 1,20,000 and Rs. 60,000 respectively. They decided to share profits in the capital ratio. You are required to calculate capital ratio on the basis of the following particulars:-

# Capital Introduced Capital withdrawn

# A (Rs.) B (Rs.) A (Rs.) B (Rs.)

# 1st April - 15,000 30,000 -

# 1st July 30,000 - - 15,000

# 1st September 18,000 - -

# 1st October - 24,000 6,000 -

# 1st November 9,000 - - 4,500

# Also calculate interest on capital if it is @ 9 % p.a.

# **Q.7**. . Aakash and Badal contribute Rs. 1,00,000 and Rs. 75,000 respectively as their capitals. They decided to allow interest on capital @ 8% p.a. Their respective share of profit is 4:3 and the profit for the year is Rs. 10,500 before allowing for interest on capitals. Show the distribution of profits (i) where there is no agreement except for interest on capitals and (ii) where there is a clear agreement that the interest on capital will be allowed even if it involves the firm in loss.

# **Q.8.** Gulab and Rose are partners with capitals of Rs. 25,000 and Rs. 15,000 respectively. Each partner is entitled to 9% p.a. interest on his capital. Rose is entitled to a salary of Rs. 5,000 p.a. together with a commission of 6% of Net profit before charging any commission. Rose is entitled to a salary of Rs. 6,000 p.a. together with a commission of 6% of Net profit after charging all commissions. The profit for the year before making any of the above mentioned adjustment amount to Rs. 37,000. Prepare partners Capital Accounts:

# 1. When capital are fixed ,and 2. When capital are fluctuating.

# **Q.9**. . Pooja and Archna are partners in a firm sharing profits and losses in the ratio of 2:1. Their capital Accounts as on 1st January 1993 stand at Rs. 70,000 and Rs. 30,000 respectively. The partners are allowed interest on capital @ 10% p.a. the drawings of the partners during the year ended 31st December 1993 amounted to Rs. 4,800 and Rs. 3,600 respectively. Interest is charged on drawings at the rate of 10% p.a. Pooja has given a loan to firm as on 1st August 1993 of Rs. 20,000.

# The profit of the firm before above adjustment was Rs. 80,000. 10% of this profit is to be kept in a Reserve Account. Current A/c balances on 1st January 1993 were Pooja Rs. 5,000 (Cr.); Archna Rs. 23,000 (Dr.).Prepare profit and Loss Appropriation Account and partners Current Accounts.

# **Q10.** Sunday, Monday and Tuesday are partners sharing profit in the ratio of 2: 1: 1.Their capitals as on 1st January 1993 were Rs. 50,000, Rs. 30,000 and Rs. 20,000 respectively. At the end of the year it was found out that interest on capitals @ 12% p.a., salaries to Sunday, Rs. 500 per month and Tuesday Rs. 1,000 per month were not adjusted from the profits. Show adjusting entry to be made in the next year for above adjustments.

# **Q.11**. Soni, Star and Zee are partners in a firm sharing profits and losses in the ratio 5: 3: 2. Their capitals (fixed) are Rs. 2,00,000; Rs. 1,50,000 Rs. 1,25,000 respectively. For the years 1993 interest on capital was credited to them @ 8% instead of 10%. Give adjusting journal entry.

# **Q12.** P, Q and R are partners in a firm. On 1/1/2002 their capital stood at Rs.50000, 40000 and 40000 respectively. The partnership agreement provides for :-

# (i)Q was entitled to a salary of RS.2000 per month.

# (ii)Partners were entitled in interest on capital at 5% p.a.

# (iii)Profit was to be shared in the ratio of 5:3:2 respectively.

# The net profit for the year 2002 was RS.61500 divided equally without provided for the above terms. Pass an adjustment entry for the above omission and show the workings clearly.

# **Q13.** Dev, Paroo and Chandarmukhi have been sharing profits in the ratio of 3:2:1 respectively. Chandarmukhi wants that she should share profits equally along with Dev and Paroo and she further wants that change in profit sharing ratio should be applicable retrospectively for the last three years. Other partners have no objections to this. The profit for the last

# Three years were Rs. 80,000, Rs. 67,000 and Rs. 75,000. Record the adjustment by means of journal entry.

# **Q14.** Mtv, Itv and Vtv are partners in firm sharing profits and losses in the ratio of 4:3:3.Their fixed capitals were Rs.1, 00,000,Rs.2, 00,000 and Rs. 3,00,000 respectively. For the year 1996 interest on capital was credited to them @ 10% instead of 9% p.a. pass the necessary adjusting journal entry.