

Indian School, Nizwa
Accountancy Worksheet:1

Chapter 1 – ACCOUNTING FOR PARTNERSHIP FIRMS-FUNDAMENTALS

Date:

Name:

Class: XII

1. Define partnership.
2. What is partnership deed?
3. Explain the features of partnership.
4. Explain the nature of partnership.
5. List any five contents of partnership deed.
6. What are the provisions to be followed in case the partnership deed is silent?
7. Differentiate between fixed capital A/c and fluctuating capital A/c.
8. How would you treat interest on capital in the following cases?
 - (i) When the question is silent regarding charge/appropriation.
 - (ii) When it is treated as a charge against profit.
 - (iii) When it is treated as an appropriation of profits.
9. Calculate the duration for which interest on drawings will be calculated when uniform amount is withdrawn at a uniform interval of time.
 - (i) fixed amount withdrawn on first day of every month during period of 12 months.
 - (ii) amount withdrawn in the middle of each month during period of 12 months.
 - (iii) amount withdrawn on the last day of each month during period of 12 months.
 - (iv) amount withdrawn in the beginning of each quarter.
 - (v) amount withdrawn in the middle of each quarter.
 - (vi) amount withdrawn at the end of each quarter.
 - (vii) amount withdrawn in the beginning of each half year.
 - (viii) amount withdrawn at the end of each half year.

10. Distinguish between drawings against profits and drawings against capital.

11. Why is profit & loss appropriation A/c prepared by a partnership firm?

12. List any two circumstances under which the fixed capital of partners may change.

13. Distinguish between partners' capital A/c & current A/c.

14. Arun and Arora were partners in a firm sharing profits in the ratio of 5:3. Their fixed capitals on 1-4-2010 were : Arun ₹60,000 and Arora ₹80,000. They agreed to allow interest on capital @12% per annum .and to charge on drawings @15% p.a. The profit of the firm for the year ended 31-3-2011 before all above adjustments was ₹12,600. The drawings made by Arun were ₹2,000 and by Arora ₹4,000 during the year. Prepare Profit and loss appropriation account of Arun and Arora. Show your calculations clearly. The interest on capital will be allowed even if the firm incurs loss.

15. A, B & C were partners in a firm having capitals of ₹60,000 ; ₹60,000 ; ₹80,000 respectively. Their current account balances were A ₹10,000 B ₹5,000 and C ₹ 2,000(Dr). According to the partnership deed ,the partners were entitled to interest on capital @5% p.a. The profits were to be divided as follows;

- a) The first ₹20,000 in proportion to their capitals
- b) Next ₹30,000 in the ratio of 5:3:2
- c) Remaining profits to be shared equally

The firm made a profit of ₹1,50,000 before charging any of the above items.

Prepare the profit & loss appropriation A/c and pass necessary journal entries for apportionment of profit

16. Rakesh and Roshan are partners sharing profits in the ratio 3:2 with capitals of ₹40,000 and ₹30,000 respectively. They withdraw from the firm the following amounts for personal use.

Partner	Date	Amt(₹)
Rakesh	31 st May 2016	600
	30 th June 2016	500
	31 st August 2016	1,000
	1 st November 2016	400
	31 st December 2016	1,500
	31 st January 2017	300
	1 st March, 2017	700
Roshan	At the beginning of each month	400

Interest is to be charged @6% per annum. Calculate interest on drawing, assuming that books of accounts are closed on 31st March every year.

17. Ram and Laxman are partners in a firm sharing profits and losses in the ratio of 3:2. The balance in their capital accounts as on 1st April, 2016 were Ram ₹30,000 and Laxman ₹20,000. The partnership deed provides that Ram is to be paid salary @500 p.m. and Laxman is to get commission @2% on total sales .Interest on capitals and drawings is to be charged @6% p.a. The drawings of Ram and Laxman for the year were ₹3,000 and ₹1,000 respectively. The profit earned by the firm before making above adjustments was ₹24,880. Total sales of the firm were ₹2,00,000. Prepare necessary accounts when capital accounts are fixed