1. L and M are partners in a firm sharing profit and losses in the ratio of 7:3. They admit N on 3/7 Share which he takes 2/7 form L and 1/7 from M. Calculate the new profit sharing ratio.

2. P and Q are partners in firm sharing profits in the ratio of 7:5. They admit R as a partner in the firm. The new profit sharing ratio among P,Q and R is 1:1:2. Calculate the sacrificing ratio.

3. A and B are partners in a firm sharing profits in the ratio of 5:3. They admit C into the partnership for 3/10th share in profit which he take 2/10th from A and 1/10th from B. C brings in Rs 3000 premium in cash out of his share of Rs 7,800. Goodwill account does not appear in the book of A and B. Give the necessary journal entries in the book of new firm.

4. B and C were partners in a firm sharing profits and losses in the ratio of 4:3. They admitted D as new partner for 1/4th share in a profits which he acquired from B and C in ratio 3:4. D brought Rs. 1,80,000 for his capital and Rs. 42,000 for his 1/4th share in goodwill. Calculate new profit ratio of B,C and D and pass necessary journal entries for the above transactions on D's admission in the book of firm.

5. a) Ashok and Ramu are partners respectively sharing profit in the ratio of 7:3. Their capitals on 01-01-2006 were Rs 80,000 and Rs. 60,000 respctively. They admitted Vijay into the partnership on that date given him a 1/5th share in the future profits, which he acquired equally from Ashok and Ramu. Vijay is to bring in Rs. 50,000 as his share of capital. Find the new profit sharing ratio, and value of the goodwill of the firm.

b) Record necessary journal entries on Vijay's admission from the above mentioned transactions.

6. R, S and M are partners sharing profits in the ratio of 2/5, 2/5 and 1/5. M decided to retire from the business and his share is taken by R and S in the ratio of 1:2. Calculate the new profit sharing ratio.

7. A, B and C are partners sharing profits in the ratio of 4:3:2. B retires and the goodwills of the firm is valued at Rs. 18,000. Pass journal entry for treatment of goodwills on B's treatement.

8. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 3:2:1. On 01-04-2009 Z retires from the firm. X and Y agree that the capital of the new firm shall be fixed at Rs 2,10,000 in the profit sharing ratio. The capital amount of X and Y after all adjustment on the date of retirement showed balance of Rs.1,45,000 and 63,000 respectively. State the amount of actual cash to be brought in or to be paid off to the partners.

9. P, Q and R were partners in a firm sharing profit in 2:2:1 ratio. The firm closes its books on 31st march every year. P died 3 months after the last accounts were prepared. On that date, the goodwill of the firm was valued at Rs 90,000. On the death of a partner, his share of profit in the year of death

was to be calculated on the basis of the average profit of the last 4 years. The profit of the last 4 years were are as follows.

Year ended 31-03-2007	**Rs.2,00,000**
Year ended 31-03-2006	**Rs.1,80,000**
Year ended 31-03-2005	**Rs.2,10,000**
Year ended 31-03-2004	**Rs. 1,70,000(loss)**

10. A,B and C are the partners in a trading firm. The firm has fixed total capital Rs.60,000 held equally by all the partners. Under the partnership deed the partners were entitled to:

a) A and B to a salary of Rs. 1,800 and Rs.1,600 per month respectively.

b) In the event of the death of a partner, goodwill was to be valued at 2 years purchase of the average profits of the last 3 years.

c) Profit up to the date of the death based on the profits of the previous year.

D) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% p.a.

B died on 01-01-2011.His drawing to the date of death were Rs.2,000 and interest there on was Rs.60. Profit for the 3 years ending 31-03-2008,2009 and 2010; Rs 21,200, Rs.3,200 and Rs 9,000 respectively. Prepare B's capital account to calculate the amount to be paid to his executers.

11. what journal entries would be passed for the following transactions on the dissolution of a partnership firm,after transferring various assets(other than cash) and third party liabilities to the realisation account?

(i) debtor rs.19,300 were realized by a debt collection agensy for rs.18,000.

(ii) an unrecorded assets realised rs.17,000.

(iii) a liability appearing in the book was settled at rs.3,700.

(iv) expenses of realization rs.7,400 were to be born by khan, a partner .khan used firms cash for paying these expenses.

12. A ,B and C are partners in a firm sharing profits in the ratio of 3:3:1 respectively.record these journal entries for the following transactions at the time of the dissolution of the firm:

(i)realization expenses amounting to rs.5,000,have to be born by mr.x one of the partners.

(ii) an unrecorded assets costing rs.9,000 was taken over by mr. y for rs.7,800.

(iii)profit and loss was appearing on the assets side of balance sheet at rs.70,000.

(iv) an unrecorded liabilities of rs.6,000 was also to taken into consideration.

13. pass journal entries for the following transactions on dissolution in the book of the firm,where pradeep and ram were sharing profits in the ratio of 2:5,assuming that the other assets (other than cash) and third party liabilities have been transferred have been transferred to realization account:

(a) the firm had a investment in share but not recorded in the books of rs.50,000 which was sold for rs.21,000

(b) ram had given a loan of rs.10,000 to the firm.it was paid back to him at the time of dissolution.

(c) realization expenses paid by the firm amounted to rs.3,000. Pradeep had to bear these expenses.

(d)there was an unrecorded liability of rs.5,500 settled at a discount of 20%.

14.sagar and sarita were partners in a firm sharing profits in 3:2 ratio.on 28.2.2006,their firms was dissolved.on that date the balance on their capital account were sagar rs.20,000(cr).sarita rs.5,000(dr).there was a debit balance of rs.30,000 .dissolution resulted into a gain of rs.75,000.

You are required to prepare the capital account of the partners at the time of dissolution assuming that the necessary cash was paid to or brought in by the partners for the final settlement as the result may be.

15.the partnership between A and B was dissolved on march 31st.2005.their capital on that date were rs.1,70,000 and rs.30,000 respectively.rs.1,00,000 was owed by the firm to A , and B owed to the firm rs.20,000.creditors on that date were rs.2,00,000.the assets realised rs.4,50,000 exclusive of what was owed by B.find the profit or loss on realization.

16.Ghosh Ltd.made the second and final call on its 50,000 equity share @ rs.2 per share on 1.1.2006.the whole amount was received on 15.1.2006 except on 100 share allotted to venkat.pass the necessary journal entries for the call money due and received by opening calls in arrear account.

17. on 1.4.2004 poonam Ltd. Received in advance the final call of rs.3 per share on 15,000 equity share.the final call was due on 15.6.2004.record necessary entries and transfer the advance to final call accounts by opening calls-in-advance account.

18. jain ltd.purchased machinery rs.10,00,000 from ayer ltd.50% of the payment was made by cheque and for the remaining 50% the company issued equity share of rs.100 each at a premium of 25%.

19. 13,000 equity share of rs.50 each issued at a premium of rs.8 per share,were forfeited for the non payment of allotment money(including premium)of rs.23 per share. Application money of rs.15 per

share had been received on these share and the first and final call of rs.20 per share was not made. The forfeited share were re-issued at rs.55 per share fully paid up.pass the necessary journal entries in the books of the company.

20. 400 equity share of rs.100 each issued at a discount of 10 % were forfeited for the non-payment of final call of rs.20 per share. The forfeited share were re-issued for rs.40,000 fully paid up .pass the necessary journal entries for the book of the company.

21. distinguish between reserve capital and capital reserve.

Part B

22. Preparea common size statement from the following for the year ended 31st march,2007:

Particular	31 march,2007 Rs.
Revenue from operation	17,00,000
Cost of material consumed	9,20,000
Depreciation expenses	3,40,000
Interest on investment(other income)	90,000
Taxes payable	@50%

23.prepare a common size balance sheet and comment on the financial position of A Ltd. And B Ltd. The balance sheet of A Ltd. And B Ltd. As on 31.3.2012 are given below:

Particular	A Ltd. Rs.	B Ltd. Rs.
1.EQUITY AND LIABILITIES		
Share capital	6,00,000	8,00,000
Reserves and surplus	3,00,000	2,50,000
Current liabilities	1,00,000	1,50,000
Total	10,00,000	12,00,000
2.ASSETS		
Fixed assets	4,00,000	7,00,000
Current assets	6,00,000	5,00,000
Total	10,00,000	12,00,000

24.what are the comperative financial statements?

25.the current ratio of a company is 2:1.state which of the following would improve,reduce or not change the ratio:

(I) repayment of a current liability.

(ii) purchasing goods on credit.

(iii) sale of motor vehicles at a loss of 20%.

(iv) sale of goods at a profit of 10%.

(v) payment of dividend.

(vi) redemption of debenture at a premium.

26.on the basis of the following information ,calculate:

(i) debt equity ratio and

(ii) working capital turnover ratio.

Particular	Rs.
Cash sales	40,00,000
Credit sales	20,00,000
Cost of goods sold	35,00,000
Other current assets	8,00,000
Current liabilities	4,00,000
Paid-up share capital	17,00,000
6% debenture	3,00,000
9% loan from bank	7,00,000
Debenture redemption reserve	3,00,000
Closing stock	1,00,000

26. from the following information,calculate any two of the following ratios:

(a) debt-equity ratio.

(b) interest coverage ratio.

(c) working capital turnover ratio.

(d) return on investment.

Information:

Equity share capital rs.5,50,000:general reserve rs.50,000: profit and loss account after tax and interest rs.1,50,000: 9% debenture rs.2,00,000: creditors rs.1,00,000: land and building rs.6,50,000: equipment rs 1,50,000:debtors rs.1,45,000;cash rs.55,000 and preliminary expenses rs.50,000.

27. the following is the summarized transactions and profit and loss statement for the year ending march 31,2012 and the balance sheet as on that date.

Profit

Particular		Rs.
Revenue from operations(sales) Less: cost of material consumed:		50,000

	Opening stock	5,000	
	Purchases	25,000	
	Direct expenses	2,500	
	Closing stock.	(7,500)	25,000
Less:	expenses:		
	Employee benefit expenses	7,500	
	Finance costs(interest on debenture)	6,000	
	Depreciation expenses	1,500	(15,000)
Profit before tax		10,00,000	10,000