

(Worksheet)

1. Sameer and Yasmin are partners with capitals of Rs.15,00,000 and Rs. 10,00,000 respectively. They agree to share profits in the ratio of 3:2. Show how the following transactions will be recorded in the capital accounts of the partners in case: (i) the capitals are fixed, and (ii) the capitals are fluctuating. The books are closed on March 31, every year.

<i>Particulars</i>	<i>Sameer (Rs.)</i>	<i>Yasmin (Rs.)</i>
<i>Additional capital contributed on July 1, 2005</i>	<i>3,00,000</i>	<i>2,00,000</i>
<i>Interest on capital</i>	<i>5 %</i>	<i>5 %</i>
<i>Drawings (during 2005)</i>	<i>30,000</i>	<i>20,000</i>
<i>Interest on drawings</i>	<i>1,800</i>	<i>1,200</i>
<i>Salary</i>	<i>20,000</i>	
<i>Commission</i>	<i>10,000</i>	<i>7,000</i>
<i>Share in loss for the year 2005</i>	<i>60,000</i>	<i>40,000</i>

2. Soumya and Bimal are partners in a firm Sharing profits and losses in the ratio of 3:2. The balance in their capital and current accounts as on April 01, 2006 were as under:

	<i>Soumya (Rs.)</i>	<i>Bimal (Rs.)</i>
<i>Capital Accounts</i>	<i>3,00,000</i>	<i>2,00,000</i>
<i>Current Accounts (Cr.)</i>	<i>1,00,000</i>	<i>80,000</i>

The partnership deed provides that Soumya is to be paid salary @ Rs, 500 per month where as Bimal is to get a commission of Rs. 40,000 for the year. Interest on capital is to be credited at 6% p.a. The drawings of Soumya and Bimal for the year were Rs. 30,000 and Rs. 10,000 respectively. The net profit of the firm before making these adjustment was Rs, 2,49,000. Interest on Soumya's drawings was Rs. 750 and Bimal's drawings, Rs. 250. Prepare Profit and Loss Appropriation Account and Partner's Capital and Current Accounts.

3. Soniya, Charu and Smita started a partnership firm on April 1, 2006. They contributed Rs, 5,00,000, Rs. 4,00,000 and Rs. 3,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3:2:1.

The partnership provides that Soniya is to be paid a salary of Rs. 10,000 per month and Charu a commission of Rs. 50,000. It also provides that interest on capital be allowed @6% p.a. The drawings for the year were Soniya Rs. 60,000, Charu Rs. 40,000 and Smita Rs. 20,000. Interest on drawings was charged as Rs. 2,700 on Soniya's drawings, Rs. 1,800 on Charu's drawings and Rs. 900 on Smita's drawings. The net amount of profit as per Profit and Loss Account for the year 2006-07 was Rs. 3,56,600.

(a) Prepare profit and loss appropriation account

(b) Show capital accounts of the partners

4. Amit, Babu and Charu set up a partnership firm on April 1, 2006. They contributed Rs. 50,000, Rs. 40,000 and Rs. 30,000, respectively as their capitals and agreed to share profits and losses in the ratio of 3 : 2 :1. Amit is to be paid a salary of Rs. 1,000 per month and Babu, a Commission of Rs. 5,000. It is also provided that interest to be allowed on capital at 6% p.a. The drawings for the year were Amit Rs. 6,000, Babu Rs. 4,000 and Charu Rs. 2,000. Interest on drawings of Rs. 270 was charged on Amit's drawings, Rs. 180 on Babu's drawings and Rs. 90, on Charu's drawings. The net profit as per Profit and Loss Account for the year ending March 31, 2006 was Rs. 35,660. Prepare the Profit and Loss Appropriation Account to show the distribution of profit among the partners.

5. Amitabh and Babul are partners sharing profits in the ratio of 3:2, with capitals of Rs. 50,000 and Rs. 30,000 respectively. Interest on capital is agreed @ 6% p.a. Babul is to be allowed an annual salary of Rs. 2,500. During the year 2005-06, the profits prior to the calculation of interest on capital but after charging Babul's salary amounted to Rs. 12,500. A provision of

5% of the profit is to be made in respect of commission to the Manager. Prepare Profit and Loss Appropriation account showing the distribution of profit and the partners' capital accounts for the year ending March 31, 2006.

6. Saloni and Srishti are partners in a firm. Their capital accounts as on April 01, 2005 showed a balance of Rs. 2,00,000 and Rs. 3,00,000 respectively. On July 01, 2005, Saloni introduced additional capital of Rs. 50,000 and Srishti, Rs. 60,000. On October 01 Saloni withdrew Rs. 30,000, and on January 01, 2005 Srishti withdraw, Rs. 15,000 from their capitals. Interest is allowed @ 8% p.a. Calculate interest payable on capital to both the partners during the financial year 2005–2006.

7. Josh and Krish are partners sharing profits and losses in the ratio of 3:1. Their capitals at the end of the financial year 2005-2006 were Rs. 1,50,000 and Rs. 75,000. During the year 2005-2006, Josh's drawings were Rs. 20,000 and the drawings of Krish were Rs. 5,000, which had been duly debited to partner's capital accounts. Profit before charging interest on capital for the year was Rs. 16,000. The same had also been debited in their profit sharing ratio. Krish had brought additional capital of Rs. 16,000 on October 1, 2005. Calculate interest on capital @ 12% p.a. for the year 2005-2006.

8. Anupam and Abhishek are partners sharing profits and losses in the ratio of 3 : 2. Their capital accounts showed balances of Rs. 1,50,000 and Rs. 2,00,000 respectively on Jan 01, 2003. Show the treatment of interest on capital for the year ending December 31, 2006 in each of the following alternatives: (a) If the partnership deed is silent as to the payment of interest on capital and the profit for the year is Rs. 50,000; (b) If partnership deed provides for interest on capital @ 8% p.a. and the firm incurred a loss of Rs. 10,000 during the year; (c) If partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of Rs. 50,000 during the year; (d) If the partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of Rs. 14,000 during the year.

9. Shahnaz withdrew the following amounts from her firm, for personal use during the year ending March 31, 2006.

Calculate interest on drawings by product method, if the rate of interest to be charged is 7 per cent per annum.

<i>Date</i>	<i>Amount (Rs.)</i>
<i>April 1, 2005</i>	<i>16,000</i>
<i>June 30, 2005</i>	<i>15,000</i>
<i>October 31, 2005</i>	<i>10,000</i>
<i>December 31, 2005</i>	<i>14,000</i>
<i>March 1, 2006</i>	<i>11,000</i>

10. John Ibrahm, a partner in Modern Tours and Travels withdrew money during the year ending March 31, 2006 from his capital account, for his personal use. Calculate interest in drawings in each of the following alternative situations, if rate of interest is 9 per cent per annum.

(a) If he withdrew Rs. 3,000 per month at the beginning of the month.

(b) If an amount of Rs. 3,000 per month was withdrawn by him at the end of each month.

(c) If the amounts withdrawn were : Rs. 12,000 on June 01, 2005, Rs. 8,000; on August 31, 2005, Rs. 3,000; on September 30, 2005, Rs. 7,000, on November 30, 2003, and Rs. 6,000 on January 31, 2006.