

Admission of a new Partner

1	<p>State any two Financial rights acquired by a new partner. OR State any two adjustments required on admission of partner. OR Why does a new partner bring in goodwill into the firm? OR State any two purpose for admitting a new partner in a firm. OR Define sacrificing ratio. OR State any two circumstances in which sacrificing ratio may be applied.</p>	1
2	<p>X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5 share in future profits. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5 share in future profits which he acquire from X and Y in equal proportion. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5 share in future profits Which he acquire from X and Y in ratio of 2:1. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership. X gives 1/6 of his share while Y gives 1/10 of his share in favour of Z. Calculate NPSR. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5 share in future profits while X & Y as between themselves sharing profits and losses equally. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 20 Paise in the rupee. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z , a new partner who acquire 1/5th of his share from X and 4/25th share from Y. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z , a new partner, who acquire his share as 1/12th from X and 1/8th from Y. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm sharing profits in the ratio of 5:3. They admit Z into partnership for 3/10th share in future profits half of which was gifted by X and the remaining share was taken by Z equally from X & Y. Calculate NPSR and Sacrificing ratio. OR X and Y are partners in a firm. They admit Z , a new partner. The NPSR is 5:3:2. X & Y sacrifice equally in order to accommodate Z. Calculate the old profit ratio of X & Y.</p>	3
3	<p>X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 20 Paise in the rupee. Z brings Rs 80000 as his capital and Rs 24000 as his share of premiu in cash. Pass Journal assuming that both the sum retained into the business. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5 share. Z brigs Rs 120000 cash as his capital including his share of goodwill. Goodwill on the occasion of Z admission is valued at Rs 60000. However Goodwill account always appeared in the books of firm at Rs 12000. Pass journal. OR X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 20 Paise</p>	3

in the rupee. Z brings Rs 80000 as his capital and Rs 24000 as his share of premium in cash. Pass Journal assuming that 50% of the amount of premium was withdrawn by X and Y.
 OR
 X and Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/4 share. Z brings Rs 80000 only as his capital in cash. On the occasion of admission goodwill of the firm is valued at Rs 50000. Pass journal.

4 X and Y are partners in a firm. They admit Z into partnership. Z brings Rs 80000 as his capital and Rs 15000 as his share of premium in cash. Goodwill of the firm on admission of Z is valued at Rs 100000. Pass journal assuming that their NPSR is 7:5:4.
 OR
 X & Y are partners in a firm. They admit z into partnership paying only Rs 10000 for premium, out of his share of premium of Rs 18000 for 1/4th share of profit. Pass journal.
 OR
 X, & Y were partners in a firm sharing profits in the ratio of 2:1. They admit Z for 2/7th share. The actual value of goodwill, however on the date was Rs 42000. Z contributed cash Rs 20000 and stock worth Rs 14000. Pass journal.
 OR
 X and Y are partners in a firm. They admit Z as a partner with 1/4th share in the profits of the firm. Z brings Rs 200000 as his share of capital. The value of the total assets of the firm is Rs 540000 and outside liabilities are Rs 100000 on that date. Calculate Z's share of goodwill. Pass journal assuming that Z is unable to bring his share of goodwill in cash.
 OR
 X and Y are partners in a firm with capital of Rs 130000 and Rs 90000 respectively . They admit Z as a partner with 1/5th share in the profits of the firm. Z brings Rs 80000 as his share of capital. Pass journal on Z admission to record goodwill.
 OR
 X & Y are partners sharing profits in the ratio of 3:2. From 1-04-14 they admit Z as new partner for 1/5 share. For the purpose goodwill of the firm be valued at three year purchase of the average profit of last five years. Profits of last five years are as follows:
 2013-14- Rs 80000; 2012-13- Rs 70000; 2011-12- Rs 140000; 2010-11- Rs 90000 and 2009-10- Rs 120000.
 Pass journal.

5 On the date of Z's admission an extract of the balance sheet of X and Y are partners in a firm sharing profits in the ratio of 3:2 was as under:

Liabilities	Amount	Assets	Amount
General Reserve	5000	Investment (Market Value Rs 19000)	20000
Contingencies Reserve	450	Machinery Replacement Fund Investment	1000
P/L A/c	3000	Advertisement Suspense	1000
Investment Fluctuation Reserve	1500		
Workmen Compensation Reserve	1200		
Machinery Replacement Fund	1000		
Employees Provident Fund	2000		
			22000

New partner was admitted for 1/5th share of profits. A claim on account of workmen's compensation is estimated at Rs 150 only. Pass journal entries to adjust accumulated profits and losses.
 OR
 X and Y were partners in a firm with capital of Rs 120000 and Rs 160000 respectively. They admit Z as a new partner for one- fourth share in profits on his payment of Rs 200000 as his capital and Rs 9000 for his share of goodwill. Rs On the date of admission of new partner, the creditors of X and Y were Rs 60000 and Bank Overdraft was Rs 15000. The assets apart from cash included stock Rs 10000; Debtors Rs 40000; Plant and Machinery Rs 80000; Land and building Rs 200000. It was agreed that stock should be depreciated by Rs 2000; plant and machinery by 20%, Rs 5000 should be written off as bad debts and land and building should be appreciated by 25%.
 Prepare The revaluation account, capital account of partners and Balance sheet of the new firm.

6 On 31st march 2009 the balance sheet of Ram and Shyam who share profits in the ratio of 3:1 was as follows:

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Liabilities	Amount	Assets	Amount
Creditors	2800	Cash at bank	2000
Provident fund	1200	Debtors 6500 Less prov. 500	6000
General reserve	2000	Stock	3000
Ram's capital	6000	Investment	5000
Shyam's capital	4000		
	16000		16000

They decided to admit Mohan as a new partner on 1st April 2009 on the following terms:

- Mohan shall bring 6000 as his share of premium and Rs 8000 for his capital in cash.
- That unaccounted accrued income of 100 be provided for.
- The market value of investment was Rs 4500.
- A debtors whose dues of Rs 500 was written off as bad debts paid Rs 400 in full settlement.

Prepare revaluation account; partner's capital account and balance sheet of the new firm.

OR

X & Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5th share. The Balance sheet is as follows:

Liabilities	Amount	Assets	Amount
X's Capital	17600	Goodwill	1000
Y's Capital	25400	Land and Building	6000
Workmen compensation fund	2000	Investment (Market value Rs 4500)	5000
Investment Fluctuation fund	1000	Debtors	10000
Employees Provident fund	1000	Stock	30000
Provision for doubtful debts	1000	Cash in hand	25000
Bank loan	30000	Advertisement Suspense a/c	1000
	78000		78000

Terms of Z'S admission are as follows:

Z bring Rs 30000 as his capital and required amount for his share of goodwill in cash.

Goodwill is to be valued at 2 years purchase of super profit of last three completed years. Profits were- Yr I- Rs 48000; Yr II- Rs 93000; Yr III- Rs 138000. The normal profits are Rs 63000. No Goodwill is to be appear in the books of the new firm.

Land and Building was found undervalued by Rs 5000, Stock was found overvalued by Rs 7000, Provision for doubtful debts is to be made equal to 5% of the debtors.

Claim on account of workmen compensation is Rs 1000. An unrecorded Accrued income of Rs 1000 be provided for.

Prepare Revaluation Account; Partners Capital Account and Balance sheet of new firm after admission.

OR

X & Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5th share. The Balance sheet is as follows:

Liabilities	Amount	Assets	Amount
X's Capital	17600	Goodwill	1000
Y's Capital	25400	Land and Building	6000
Workmen compensation fund	2000	Investment (Market value Rs 4500)	5000
Investment Fluctuation fund	1000	Debtors	10000
Employees Provident fund	1000	Stock	30000
Provision for doubtful debts	1000	Cash in hand	25000
Bank loan	30000	Advertisement Suspense a/c	1000
	78000		78000

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Z bring Rs 30000 as his capital in cash.

Goodwill is to be valued at 2 years purchase of super profit of last three completed years. Profits were-

Yr I- Rs 48000; Yr II- Rs 93000; Yr III- Rs 138000. The normal profits are Rs 63000. No Goodwill is to be appear in the books of the new firm.

Land and Building was found undervalued by Rs 5000, Stock was found overvalued by Rs 7000, Provision for doubtful debts is to be made equal to 5% of the debtors.

Claim on account of workmen compensation is Rs 1000. An unrecorded Accrued income of Rs 1000 be provided for.

Prepare Revaluation Account; Partners Capital Account and Balance sheet of new firm after admission.
OR

X & Y are partners in a firm. They admit Z into partnership for 1/5th share. The Balance sheet is as follows:

Liabilities	Amount	Assets	Amount
X's Capital	17600	Goodwill	1000
Y's Capital	25400	Land and Building	6000
Workmen compensation fund	2000	Investment	5000
Investment Fluctuation fund	1000	Debtors	10000
Employees Provident fund	1000	Stock	30000
Provision for doubtful debts	1000	Cash in hand	25000
Bank loan	30000	Advertisement Suspense a/c	1000
	78000		78000

Terms of Z'S admission are as follows:

Z bring Proportionate capital and required amount for his share of goodwill in cash.

Goodwill of the firm is valued at Rs 85000

Land and Building was found undervalued by Rs 5000, Stock was found overvalued by Rs 7000. Debtors are all good.

Claim on account of workmen compensation is Rs 1000. An unrecorded Accrued income of Rs 1000 be provided for.

Prepare Revaluation Account; Partners Capital Account and Balance sheet of new firm after admission.
OR

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X's Capital	17600	Goodwill	1000
Y's Capital	25400	Land and Building	6000
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Investment Fluctuation fund	1000	Debtors	10000
Employees Provident fund	1000	Stock	30000
Provision for doubtful debts	1000	Cash in hand	25000
Bank loan	30000	Advertisement Suspense a/c	1000
	78000		78000

Terms of Z'S admission are as follows:

Z bring Rs 40000 as his capital and Rs 20000 as his share of goodwill in cash.

Land and Building to be appreciated by Rs 5000, Stock to be reduced to Rs 23000. Bad debts amounted to Rs 1500.. An unrecorded Accrued income of Rs 1000 be provided for.

Capital accounts of the partners be re-adjusted on the basis of their new profit sharing ratio. (adjustment to be made through opening of current account)

Prepare Revaluation Account; Partners Capital Account and Balance sheet of new firm after admission.
OR

X & Y are partners in a firm sharing profits in the ratio of 3:2. They admit Z into partnership for 1/5th share. The Balance sheet is as follows:

Liabilities	Amount	Assets	Amount
X's Capital	17600	Goodwill	1000
Y's Capital	25400	Land and Building	6000
Workmen compensation fund	3000	Investment	5000

Employees Provident fund	1000	Debtors	10000
Provision for doubtful debts	1000	Stock	30000
Bank loan	30000	Cash in hand	25000
		Advertisement Suspense a/c	1000
	78000		78000

Terms of Z'S admission are as follows:

Z bring Rs 40000 as his capital and Rs 20000 as his share of goodwill in cash.

Land and Building to be appreciated by Rs 5000, Stock to be reduced to Rs 23000. Bad debts amounted to Rs 1500.. An unrecorded Investment is valued at Rs 6000.

Investment is taken by X and Y in their profit sharing ratio.

Capital accounts of the partners be re-adjusted on the basis of their new profit sharing ratio.(adjustment to be made in cash)

Prepare Revaluation Account; Partners Capital Account and Balance sheet of new firm after admission.

7 X & Y are partners in a firm sharing profits in the ratio of 3:2. they admit Z into partnership for 1/5 share. Fill in the blanks:

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Revaluation account

particulars	amount	particulars	amount
To Plant	-----	By patent	8000
To profits			
X-----			
Z-----	-----		
	8000		8000

Partners capital account

particulars	X	Y	Z	Particulars	X	Y	Z
To Bal. c/d	-----	-----	-----	BY Bal. b/d	-----	-----	-----
				By Reserves	3000	-----	
				By Revaluation	1800	1200	
				By cash			10000
				By premium	-----	1600	

Balance sheet of X,Y & Z

Liabilities	Amount	Assets	Amount
Creditors	15000	Plant and Machinery	25000
X's capital	37200	patent	-----
Y's capital		furniture	3000
Z's capital	72000	stock	16000
		debtor	15000
		cash	-----
	87000		87000