

**KENDRIYA VIDYALAY NO.1, DEHU ROAD**

**SUMMER HOLIDAY HOMEWORK**

**SUBJECT : ACCOUNTANCY (055)**

**ACCOUNTING FOR NOT-FOR-PROFIT ORGANISATION**

**Question 1. Give three essential features of Receipts and Payments Account.**

**Question 2. Give three essential features of Income and Expenditure Account.**

**Question 3. Distinguish between Income and Expenditure Account and Receipt and Payment Account on the basis of:**

(1) Nature, (ii) Nature of items, (iii) Period

**Question 4. How would a not-for-profit organisation deal with the following items:**

(i) Outstanding Subscriptions, (ii) Subscriptions Received in advance, (iii) ornament Fund.

**Question 5. List the items that you will exclude from the Income and expenditure Account and in each case state briefly in a sentence or two why you excluded that item?**

**Question 6. Explain the following terms: (i) Capital Fund; (ii) Legacy (iii) Specific Donations.**

**Question 7. How will you deal with sale of old assets while preparing the financial statements of a not-for-profit organisation?**

**Question 8. How would a non-profit organisation record the following items while preparing Income & Expenditure Account and Balance Sheet**

(i) Entrance Fees

(ii) Life Membership Fees

(iii) Legacy

(iv) General Donation

**Question 9. How will you treat the following items while preparing Income and expenditure A/c and Balance sheet of non-profit Organisation?**

(i) Donation for Building (ii) Sale of Newspapers (iii) Investment purchased.

**Question 10. What amount will be credited the Income and Expenditure Account for the year ending 31st March, 2019 on the basis of following information?**

	01-04-2018	31-03-2019
Outstanding Subscription	15,000	18,000

Subscriptions received during the year 2018-19 were 1,80,000.

**Question 11. What amount will be credited the Income and Expenditure Account for the year ending 31st March, 2019 on the basis of the following information:**

	01-04-2018	31-03-2019
Advance Subscription	8,000	2,000

Subscriptions received during the year 2018-19 were 2,00,000.

**Question 12. What amount will be credited the Income and Expenditure Account for the year ending 31st March, 2019 on the basis of the following information:**

	01-04-2018	31-03-2019
Outstanding Subscription	20,000	15,000
Advance Subscription	4,000	6,000

Subscriptions received during the year 2018-19 were 5,00,000.

**Question 13. Sports Club Ahmedabad had received in 2014-15 Rs. 80,000 as subscription. Further information is:**

		Rs.
I.	Subscription due but not received on 1-4-2014	5,200
II.	Subscription received in advance on 1-4-2014	2,400

III.	Subscription due but not received on 31-3-2015	4,800
IV.	Subscription received in advance on 31-3-2015	700

What amount should be credited Income and Expenditure Account as subscriptions?

**Question 14.** How much amount will be recorded in Income and Expenditure Account if club has 400 members each paying an annual subscription of 100. Outstanding Subscription on 31st March, 2019 were 2,000.

**Question 15.** How much amount will be recorded in Income and Expenditure Account if club has 500 members each paying an annual subscription of 200. On 31st March 2019, Advance Subscription is 1,000 and Outstanding Subscription is Rs. 5,000.

**Question 16.** How much amount will be recorded in Income and Expenditure Account if there are 500 members, each paying an annual subscription of 100; subscriptions received during the year 46,000; subscriptions received in advance at the beginning of the year 1,200.

**Question 17.** Salary paid Rotary Club for the year ended 31st March, 2019 amounted 1,20,000. How much amount will be recorded in 'Income and Expenditure Account' if unpaid salary was 5,000 and salary paid in advance was 1,000 on 31st March, 2019.

**Question 18.** Salary paid Lions Club for the year ended 31st March, 2019 amounted 1,80,000. How much amount will be recorded in Income and Expenditure Account if outstanding salary on 31st March, 2018 was 10,000 and Outstanding salary on 31st March, 2019 was 6,000.

**Question 19.** Salary paid Jaipur Sports Club for the year ended 31st March, 2019 amounted 2,00,000. How much amount will be recorded in Income and Expenditure Account in the following case :

	31-03-2018	31-03-2019
Outstanding Salary	7,000	10,000

Prepaid Salary	5,000	4,000
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**Question 20. In the year 2015-16, salaries paid in cash amounted Rs. 40,000. Ascertain the amount chargeable Income and Exp. A/c for the year ending on 31st March 2016 from the following additional information:**

		Rs.
I	Outstanding Salaries on 31-3-2015	3,000
II	Outstanding Salaries on 31-3-2016	4,500
III	Prepaid Salaries on 31-3-2015	1,800
IV	Prepaid Salaries on 31-3-2016	1,400

**Question 21. Calculate what amount will be posted Income and Expenditure Account for the year ending 31st March, 2016:**

Amount paid for stationery during the year Rs.10,000; sck of stationery in hand at the beginning and end of the year RS.1,200 and Rs.1,500 respectively.

**Question 22. How much amount will be shown in Income and Expenditure Account in the following case :**

		Rs.
I	Sck of Sports Materials on 1-4-2018	3,000
II	Amount paid for sports materials purchased during 2018-19	20,000
III	Sck of sports materials on 31-3-2019	4,800

**Question 23. How much amount will be shown in Income and Expenditure Account in the following case:**

		Rs.
I	Credirs for sports materials on 1-4-2018	4,000
II	Amount paid for sports materials purchased during 2018-19	45,000
III	Credirs for sports materials on 31-3-2019	6,500

**Question 24. How much amount will be shown in Income and Expenditure Account in the following case :**

		Rs.
I.	Amount paid for stationery purchased during 2018-19	20,000
II.	Credirs for Stationery on 31-3-2019	1,800
III.	Sck of Stationery on 31-3-2019	2,000

**Question 25. How much amount will be shown in Income and Expenditure Account in the following case :**

		Rs.
I	Amount paid for stationery purchased during 2018-19	34,000
II	Credirs for Stationery on 1-4-2018	3,000
III	Credirs for Stationery on 31-3-2019	4,200

IV	Sck of Stationery on 1-4-2018	2,500
V	Sck of Stationery on 31-3-2019	2,800

**Question 26. How much amount will be shown in Income and Expenditure Account in the following case :**

	As at 01-04-2018	As at 31-03-2019
	Rs.	Rs.
Credirs for Stationery	4,000	6,200
Sck of Stationery	5,400	5,000

During 2018-19 payment made for Stationery was 40,000.

**Question 27. Amount paid for sports materials during the year Rs. 20,000; sck of sports materials at the beginning and end of the year Rs. 3,300 and Rs. 2,900 respectively, credirs for sports materials at the beginning and end of the year Rs. 5,000 and Rs. 4,000 respectively. What amount will be recorded in Income & Expenditure Account?**

**Question 28. On the basis of following information, calculate the amount of stationery be shown in Income and Expenditure Account for the year ended 31st March, 2019.**

		Rs.
I.	Sck of stationery on 1-4-2018	50,000

II.	Sck of stationery on 31-3-2019	40,000
III.	Amount paid for stationery during the year	2,00,000
IV.	Credirs for stationery on 1-4-2018	20,000
V.	Credirs for stationery on 31-3-2019	10,000

**Question 29. From the information given below, prepare Receipts and Payments Account of Modern Club, Janakpuri for the year ending on March 31, 2019:**

	Rs.
Cash & Bank as on April 1, 2018	45,000
Subscriptions (including Rs. 8,000 for 2017-18 and Rs. 12,000 for 2019-20)	4,70,000
12% Investments purchased on April 1, 2018	1,50,000
Entrance fee received	15,000
Sports materials purchased	70,000
Furniture purchased	80,000
Sale of old furniture (Cost Rs.20,000)	5,000
Municipal Taxes	1,000

Printing and Stationery	24,000
Sale of old sports materials	6,000
General expenses (out of which Rs.2,000 is yet be paid) Interest	20,000
Interest received on Investments	6,000
urnament expenses	72,000
Salary paid	84,000
Postage and Courier	2,000

**Question30. Show how will you deal with the following items in the final accounts of Chetak Club, Jaipur as at 31st March, 2019:**

	Rs.
Prize Fund on 1st April, 2018	80,000
Interest on Prize Fund Investments	6,000
Prizes given	10,000
Prize fund Investments on 1st April, 2018	60,000
Donations for Prize Fund	25,000

**Question 31. Show how would you deal with the following items while preparing the financial statements of a 'Not-for-Profit organisation:**

	Rs.
urnament Fund	2,00,000
Contribution received for urnament	40,000
urnament expenses	80,000
Interest received on urnament fund Investments	12,000
Receipts from urnament Tickets	20,000

**Question 32. Show how will you deal with the following items while preparing the fine accounts of a N.P.O. for the year ending 31st March, 2020:**

	Rs.
Building Fund as on 01.04.2019	8,00,000
Donation received for Building during the year	12,00,000
Expenditure on Construction of Building during the year	7,00,000
Capital Fund as on 01.04.2019	10,00,000
Life membership fee received	50,000

The construction work is in progress and has not yet completed.

**Question 33. As per Receipts and Payments Account for the year ended on March 31, 2017, the subscriptions received were Rs. 6,00,000. Additional Information given is as follows:**

1. Subscriptions outstanding on 1-4-2016 Rs. 60,000.
2. Subscriptions outstanding on 31-3-2017 Rs. 40,000.
3. Subscriptions Received in Advance as on 1-4-2016 Rs. 32,000.
4. Subscriptions Received in Advance as on 31-3-2017 Rs. 38,000.

Ascertain the amount of income from subscriptions for the year 2016-17 and show how relevant items of subscriptions will appear in opening and closing balance sheets.

**Question 34. The Chennai Sports Club received Rs. 6,50,000 way of subscriptions during the year ended on March 31, 2017.**

Additional information given is as follows:	Rs.
Subscription received in advance on 31-3-2017	10,000
Subscription outstanding on 1-4-2016 (Out of which 16,000 were received during 2016-17)	20,000
Subscription received in advance on 31-3-2016	7,500
Subscription outstanding for 2016-17	25,000

Show how the subscription will appear in Income and Expenditure Account.

**Question 35. From the following information calculate the amount of subscription be credited the Income and Expenditure Account for the year 2016-17:**

	Rs.
Subscriptions received during the year	50,000

Subscriptions outstanding on 31st March, 2016	20,000
Subscriptions outstanding on 31st March, 2017	6,000
Subscriptions received in Advance on 31-3-2016	8,000
Subscriptions received in Advance on 31-3-2017	9,000
Subscriptions of Rs.1,500 are still in arrears for the year 2015-16	

## **FUNDAMENTAL OF PARTNERSHIP**

**Question 1. Mention any four provisions of the partnership Act, in the absence of Partnership Deed.**

**Question 2. State four important points which must be incorporated in a Partnership Deed.**

**Question 3. Name any six items which are shown in 'Profit and Loss Appropriation Account'.**

**Question 4. Mention difference between the following:-**

- (a) Fixed Capitals and Fluctuating Capitals.
- (b) Partner's Capital Accounts and Current Accounts.

**Question 5. In the absence of Partnership Deed what are the rules relating to:-**

- (a) Salaries of Partners; (b) Interest on Partner's capitals; (c) Interest on Loan given a partner; (d) Profit sharing ratio; and (e) Interest on Partner's drawings.

**Question 6. If the Partner's Capital Accounts are fixed, where will you record the following items:-**

- (a) Drawings made a partner.
- (b) Salary payable a partner.
- (c) Fresh capital introduced a partner.

- (d) Share of Profit.
- (e) Interest on Drawings.

**Question 7. Mention the items that may appear on the debit side of the Capital Account of partner when the capitals are fluctuating.**

**Question 8. Mention the items that may appear on the credit side of the Capital Account of a partner when the capitals are fluctuating.**

**Question 9. In the absence of a partnership deed, how are mutual relations of partners governed?**

**Question 10. How would you calculate interest on drawings of equal amounts drawn on the first day of every month?**

**Question 11. How would you calculate interest on drawings of equal amounts drawn on the last day of every month?**

**Question 12. How would you calculate interest on drawings of equal amounts drawn in the middle of every month?**

**Question 13. A and B are partners but they do not have any partnership agreement. How will they solve the following disputes between them?**

- (i) A wants that profits should be shared in the capital ratio.
- (ii) B wants that he should be paid salary for devoting more time for the business of the firm.

**Question 14. A and B are partners in a firm. State giving reasons whether their claims are valid if partnership deed is silent in the following matters:-**

- (i) B had advanced a loan the firm. He claims interest rate at the usual interest rate charged banks. The rate of interest is 13% p.a.
- (ii) A has contributed Rs. 1,00,000 and B Rs. 50,000 as capital. B wants profit be shared equally.

**Question 15. X and Y are partners in a firm. They do not have any partnership deed. What should be done in the following cases:-**

- (a) X has invested Rs. 1,00,000 and Y only Rs. 50,000 as capital. X wants interest on capital @ 12% p.a.
- (b) X spends twice the time that Y devotes the business. He wants a salary of Rs. 2,000 per month for the extra time spent him.
- (c) X wants introduce his son Rajesh in the business. Y objects it.
- (d) X has given a loan of Rs. 20,000 the firm. He wants interest on it @ 8% p.a.

**Question 16. The following differences have arisen among A, B and C. Give your decision regarding the same:-**

- (a) A used Rs. 1,00,000 belonging the firm and made a profit of Rs. 75,000 in speculation. B and C want that A should return Rs. 1,75,000 the firm, while A wants return 1,00,000 only.
- (b) A used Rs. 50,000 belonging the firm and suffered a loss of 20,000 in speculation.

He wants return only 30,000.

(c) A and B want admit Mohan as a new partner, but C does not agree.

(d) A and B want purchase goods from Raghubir for the firm but does not agree.

**Numerical Questions:-**

**Question 1. X and Y are partners sharing profit in the ratio of 2:1. The under mentioned trial balance was extracted from their books on 31st March, 2019:**

<b>Particular</b>	<b>Dr. Balance</b>	<b>Cr. Balance</b>
X's Capital		3,20,000
Y's Capital		2,40,000
X's Drawings	40,000	
Y's Drawings	32,000	
Stock (1 <sup>st</sup> April, 2016)	45,200	
Purchases and Sales	8,68,000	12,45,000
Debtors and Creditors	1,52,000	48,000
Buildings	6,00,000	
Cash in hand	5,900	
Bank Overdraft		27,500
Salaries Staff	74,700	

Rent	26,400	
Advertising Expenditure	5,000	
Travelling Expenses	31,300	
	<b>18,80,500</b>	<b>18,80,500</b>

You are required prepare the Profit and Loss Account and Profit and Loss Appropriation Account for the year ended 31st March, 2019 and a Balance Sheet as on that date. The following adjustments are be made:

- (i) The value of stock on March 31, 2019 was Rs. 64,000.
- (ii) Change depreciation on Building at 10%.
- (iii) Provide for outstanding rent Rs. 2,400.
- (iv) Partners are entitled interest on capital @ 5% and X is entitled a salary of Rs. 48,000 p.a.

**Question 2.** Girish and Satish are partners in a firm. Their Capitals on April 1, 2018 were Rs. 5,60,000 and Rs. 4,75,000 respectively. On August 1, 2018 they decided that their capitals should be Rs. 5,00,000 each. The necessary adjustment in the capital were made introducing or withdrawing cash. Interest on Capital is allowed at 6% p.a. You are required compute interest on capital for the year ending March 31, 2019.

**Question 3.** X, Y and Z are partners in a firm. Their Capitals as on April 1, 2016 were Rs. 5,00,000; Rs. 4,00,000 and Rs. 3,00,000 respectively. On July 1, 2016 they introduced further Capitals of Rs. 1,00,000; Rs. 80,000 and Rs. 50,000 respectively. On February 1, 2017 Y withdrew Rs. 15,000 from his Capital. Interest is be allowed @ 8% p.a. on the Capitals. Compute interest on Capital for the year ending March 31, 2017.

**Question 4.** On March 31, 2016 after the close of accounts, the capitals of Mountain, Hill and Rock stood in the books of the firm at Rs. 4,00,000; Rs. 3,00,000 and Rs. 2,00,000 respectively. Subsequently, it was discovered that the interest on capital @ 10% p.a. had been omitted. The profit for the year amounted Rs. 1,50,000 and the partner's drawings had been Mountain: Rs. 20,000; Hill Rs. 15,000 and Rock Rs. 10,000.  
Calculate interest on capital.

**Question 5.**  
(A)

On 1st April, 2018 A and B commenced business with Capital of Rs. 6,00,000 and Rs. 2,00,000 respectively. On 31st March, 2019 the trading profit (before taking inaccount the provisions of deed) was Rs. 2,40,000. Interest on capital is be allowed at 6% p.a. B was entitled a salary of Rs. 60,000 p.a. The drawings of the partners A and B were Rs. 60,000 and Rs. 40,000 respectively. The interest on Drawings for A being Rs. 2,000 and B Rs. 1,000. Assuming that A and B are equal partners, prepare the Profit and Loss Appropriation a/c and Partner's Capital Accounts as at 31st March, 2019.

**Question 5. (B)**

Anubha and Kajal entered inpartnership sharing profit and losses in the ratio of 2:1. Their capitals were Rs. 90,000 and Rs. 60,000. The profits during the year were Rs. 45,000. According partnership deed, both partners are allowed salary, Rs. 700 per month Anubha and Rs. 500 per month Kajal. Interest is allowed on capital @ 5% p.a. The drawings at the end of the period were Rs. 8,500 for Anubha and Rs. 6,500 for Kajal. Interest is be charged @ 5% p.a. on drawings. Prepare partner's capital accounts, assuming that the capital accounts are fluctuating.

**Question 6. A and B started a partnership business on 1st April, 2018. They contributed Rs. 6,00,000 and Rs. 4,00,000 respectively, as their capitals. The terms of the partnership agreement are as under:**

(i) Interest on Capital and Drawings @ 6% per annum.

(ii) B is get a monthly salary of Rs. 2,500.

(iii) Sharing of Profit or loss will be in the ratio of their capital contribution.

The profit for the year ended 31st March, 2019 before making above appropriations was Rs. 2,07,400. The drawings of A and B were Rs. 48,000 and Rs. 40,000 respectively. Interest on drawings amounted Rs. 1,500 for A and Rs. 1,100 for B.

Prepare profit and loss appropriation account and partner's capital accounts assuming that their capitals are fluctuating.

**Question 7. X and Y are partners with capitals of Rs. 1,00,000 and Rs. 80,000 respectively on 1st April, 2016 and their profit sharing ratio is 2:1. Interest on capital is agreed @ 12% p.a. Y is be allowed an annual salary of Rs. 6,000. The profit for the year ended 31st March, 2017 amounted Rs. 50,000. Manager is entitled a commission of 10% of the profits.**

**Question 8. Asha and Lata are partners sharing profits in the ratio of 1:2. Asha is entitled a salary of Rs. 2,00,000 p.a. and a commission of 8% of net profit before charging any commission. Lata is entitled a commission of 8% of net profit after charging her commission. Net Profit for the year ended 31st March, 2018 amounted Rs. 5,40,000. Prepare Profit and loss Appropriation Account.**

**Question 9. A and B are partners in a firm sharing profits or losses in the ratio of 2:3 with capital of Rs. 4,00,000 and Rs. 8,00,000 respectively on 1st April, 2016. Each partner is entitled 10% p.a. interest on his capital. B is entitled a commission of 10% on net profit remaining after deducting interest on capital but before**

charging any commission. A is entitled a commission of 8% on net profit remaining after deducting interest on capital and after charging all commission. The profit for the year ended 31st March, 2017 prior calculation of interest on capital was Rs. 6,00,000. Prepare Profit and Loss Appropriation Account.

**Question 10.** Y and Z are partners with capital of Rs. 25,000 and Rs. 15,000 respectively on 1st April, 2016. Each partner is entitled 9% p.a. interest on his capital. Z is entitled a salary of Rs. 6,000 p.a. together with a commission of 6% of Net Profit remaining after deducting interest on capital and salary and after charging his commission. The profit for the year ended 31st March, 2017 before making any of the above mentioned adjustments amount Rs. 30,800. Prepare Partner's Capital Accounts:

(i) when capitals are fixed, (ii) when capital are fluctuating.

**Question 11.** L, M and N are partners in a firm sharing profit and losses in the ratio of 2:3:5. On April 1, 2016 their fixed capitals were Rs. 2,00,000, Rs. 3,00,000 and Rs. 4,00,000 respectively. Their partnership deed provided for the following:

- (i) Interest on capital @ 9% per annum.
- (ii) Interest on Drawings @ 12% per annum.
- (iii) Interest on partner's loan @ 12% per annum.

On July 1, 2016, L brought Rs. 1,00,000 as additional capital and N withdrew Rs. 1,00,000 from his capital. During the year L, M and N withdrew Rs. 12,000, Rs. 18,000 and Rs. 24,000 respectively for their personal use. On January 1, 2017 the firm obtained a Loan of Rs. 1,50,000 from M. The Net Profit of the firm for the year ended March 31, 2017 after charging interest on M's Loan was Rs. 85,000. Prepare profit and loss Appropriation Account and Partner's Capital Accounts.

**Question 11.**

**(B)**

A and B are partners in a firm. Their capitals as on 1st April, 2016 were Rs. 2,10,000 and Rs. 90,000 respectively. They share profits in the ratio of 2:1. On 1st August, 2016, they decided that their capitals should be readjusted according their profit sharing ratio. The necessary adjustments in the capitals were made withdrawing or introducing cash. Interest on capital is allowed at 12% p.a. Compute interest on capitals for the year ending on 31st March, 2017.

**Question 12.** A, B and C were partners in a firm having capitals of Rs. 2,00,000; Rs. 2,00,000 and Rs. 80,000 respectively on 1st April, 2015. Their Current Account balances were A: Rs. 20,000; B: Rs. 10,000 and C: Rs. 5,000 (Dr.). According the partnership deed the partners were entitled interest on capital @ 10% p.a. B being the working partner was also entitled a salary of Rs. 6,000 per quarter. The profit were be divided as follows:

- (a) The first Rs. 60,000 in proportion their capitals.
- (b) Next Rs. 1,00,000 in the ratio of 4:3:1.
- (c) Remaining profit be shared equally.

The firm made a profit of Rs. 2,80,000 for the year ended 31st March, 2016 before charging any of the above items. Prepare the Profit & Loss appropriation account and

pass necessary journal entry for appropriation of profit.

**Question 13. A, B and C are partners with Fixed Capital of Rs. 1,00,000; Rs. 2,00,000 and Rs. 3,00,000 respectively. Their partnership deed provides that:**

- (a) A is be allowed a monthly salary of Rs. 600 and B is be allowed a monthly salary of Rs. 400.
  - (b) C will be allowed a commission of 5% of the net profit after allowing salaries of A and B.
  - (c) Interest is be allowed on Capital @ 6%.
  - (d) Interest will be charged on partner's annual drawings at 4%.
  - (e) The annual drawings were: B Rs. 10,000 and C Rs. 15,000.
- The net profit for the year ending 31st March, 2016 amounted Rs. 1,72,000. Prepare Profit and Loss Appropriation Account.

**Question 14. A, B and C entered IN partnership on 1st April 2016 with capital of Rs. 10,00,000, Rs. 8,00,000 and Rs. 5,00,000 respectively. On 1st July 2016, B advanced Rs. 2,00,000 and on 1st December 2016 C advanced Rs. 1,00,000 way of loans the firm.**

The Profit and Loss Account for the year ended 31.03.2017 disclosed a profit of Rs. 7,70,000 but the partners could not agree upon the rate of interest on loans and the profit sharing ratio. Prepare partner's Capital account and Loan's accounts.

**Question 15. Lata and Mamta are partners with capitals of Rs. 3,00,000 and Rs. 2,00,000 respectively sharing profit as Lata 70% and Mamta 30%. During the year ended 31st March 2016 they earned a profit of Rs. 2,26,440 before allowing interest on partner's loan. The terms of partnership are as follows:**

- (i) Interest on Capital is allowed @ 7% p.a.
  - (ii) Lata get a salary of Rs. 2,500 per month.
  - (iii) Interest on Mamta's Loan account of Rs. 80,000 for the whole year.
  - (iv) Interest on Drawings of partners at 8% per annum. Drawings being Lata Rs. 36,000 and Mamta Rs. 48,000.
  - (v) 1/10th of the distributable profit should be transferred General Reserve.
- Show the distribution of profits.

**Question 16. A, B and C are partners sharing the profit and losses in the ratio of 2:3:5. On 1st July, 2018, A and B granted loans of Rs. 2,00,000 and Rs. 1,00,000 respectively the firm. Show the distribution of profit/losses for the year ended 31st March, 2019, in the following cases:**

- Case (a) If the profits before interest for the year amounted Rs. 7,500.
- Case (b) If the loss before interest for the year amounted Rs. 7,500.

**Question 17. Radha and Rukmani are partners in a firm with fixed capitals of 2,00,000 and Rs. 3,00,000 respectively.**

They share profit in the ratio of 1:2. Both partners are entitled interest on capitals @ 8% p.a. In addition, Rukmani is entitled a salary of Rs. 20,000 per month. Business is being carried from the property owned Radha on a yearly rent of Rs. 1,20,000. Net Profit for the year ended 31st March 2018 before providing for rent was Rs. 5,50,000.

You are required draw Profit & Loss Appropriation Account for the year ended 31st March, 2018.

**Question 18. P and Q are partners sharing profit and losses in the ratio of 60:40. On 1st April, 2014 their capitals were: P- Rs. 5,00,000 and Q – Rs. 3,00,000. During the year ended 31st March, 2015, they earned a net profit of Rs. 7,60,000. The terms of partnership are:**

- (i) Interest on the capital is be charged @ 8% p.a.
  - (ii) P will get commission @ 3% on turnover.
  - (iii) Q will get salary of Rs. 5,000 per month.
  - (iv) Q will get commission of 5% on profit after deducting of interest, salary and commission (including his own commission).
  - (v) P is entitled a rent of Rs. 20,000 per month for the use of his premises the firm.
- Partner's drawings for the year were: P – Rs. 40,000 and Q – Rs. 30,000. Turnover for the year was Rs. 20,00,000. After considering the above factors, you are required prepare the Profit and Loss Appropriation Account and the Capital Accounts of the Partners.

**Question 19. P and Q are partners sharing profit and losses in the ratio of 60 : 40. On 1st April, 2014, their capital were: P – Rs. 5,00,000 and Q – Rs. 3,00,000. During the year ended 31st March, 2015, they earned a net profit of Rs. 7,60,000. The terms of partnership are:**

- (i) Interest on the capital is be charged @ 8% p.a.
  - (ii) P will get commission @ 3% on turnover.
  - (iii) Q will get a salary of Rs. 5,000 per month.
  - (iv) Q will be commission of 5% on profit after deduction of interest, salary and commission (including his own commission).
  - (v) P is entitled a rent of Rs. 20,000 per month for the use of his premises the firm.
- Partner's drawings for the year were: P – Rs. 40,000 and Q – Rs. 30,000. Turnover for the year was Rs. 20,00,000. After considering the above factors, you are required prepare the profit and loss appropriation account and the capital accounts of the partners.

**Question 20. A and B are partners sharing profit and loss in the ratio of their capitals which were Rs. 6,00,000 and Rs. 4,00,000 respectively on 1st April 2018. The partnership deed provides that:**

- (i) Both partners will get monthly salary of Rs. 20,000 each;
  - (ii) Interest on capital will be allowed @ 8% p.a.;
  - (iii) A will get a quarterly rent of Rs. 24,000 for the use of his property the firm.
- On 1st July, 2018 A and B granted loans of Rs. 1,00,000 and Rs. 50,000 respectively the firm. During the year ended 31st March 2019, the firm incurred a loss of Rs. 17,250 before any adjustment is made as per partnership deed.

**Question 21.** A and B are partners in a firm sharing profit in the ratio of 1:2. Their capitals on 1st April 2018 were Rs. 4,00,000 and Rs. 6,00,000 respectively. As per partnership deed, A is get a monthly salary of Rs. 15,000 and interest on capitals is be provided @ 10% p.a. and charged on drawings @ 12% p.a. During the year A withdrew Rs. 30,000 and B withdrew Rs. 50,000.

The Firm incurred a loss of Rs. 60,000 during the year ended 31st March, 2019 before above adjustments. You are required prepare an account showing the distribution of profit/loss.

**Question 22.** X and Y are partners in a firm sharing profit and losses in the ratio of 3:2 with capitals of Rs. 10,00,000 and Rs. 5,00,000 respectively. As per the partnership deed they are be allowed interest on capital @ 8% p.a. The net profit for the year ended 31st March, 2016 before providing for interest on capital amounted Rs. 45,000. Show the distribution of profit.

**Question 23.** Akruti and Vibhuti were partners in a firm sharing profit in the ratio 2:1. The balances in their capital accounts on 1st April, 2019 were as under:

Akruti (Rs.) Vibhuti (Rs.)

Capital Accounts 3,00,000 2,00,000

Current Accounts 60,000 (Dr.) 12,000 (Cr.)

The partnership deed provided that Akruti was be paid salary of Rs. 22,500 per quarter, whereas Vibhuti was get a commission of 15% on net profit before charging such commission.

Interest on capital was be allowed @ 6% p.a. whereas interest on drawings was be charged @ 10% p.a. The drawings of Akruti were Rs. 40,000 drawn on 1st July 2019 and Vibhuti withdrew Rs. 30,000 on 1st Dec., 2019. The net profit of the firm for the year before making the above adjustments was Rs. 1,00,000.

**Question 24. (A)** Mr. Ashok Gupta is a partner in a firm. He withdrew the following amounts during the year ended 31st March, 2018:-

**Rs.**

30 April 8,000

30 June 6,000

30 September 5,000

31 December 1 2,000

31 January 10,000

Calculate interest on drawings @ 9% p.a. for the year ended on 31st March, 2018.

**Question 24.(B)**

A is a partner in a firm. During the year ended 31st March, 2018, A's drawings were:

1 June	1,000
1 August	750
1 October	1,250
1 December	500
1 February	500

Interest on drawings is charged @ 10% per annum. Calculate interest on drawings of A for year ended 31st March, 2018.

**Question 25. (A)** Gopal is a partner in a firm. He withdrew Rs. 1,000 p.m. regularly on the first day of every month during the year ended 31st March, 2018 for personal expenses. If interest on drawings is charged @ 15% p.a. calculate the interest on the drawings of Gopal.

**Question 25.(B)** X, Y and Z are partners 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 drawings is to be charged @ 9% p.a. Calculate interest on partner's drawings.

**Question 26. Calculate the interest on drawings of Mr. Aditya @ 8% p.a. for the year ended 31st March, 2016, in each of the following alternative cases:**

Case (i) If he withdrew Rs. 5,000 in the beginning of each quarter.

Case (ii) If he withdrew Rs. 6,000 at the end of the each quarter.

Case (iii) If he withdrew Rs. 10,000 during the middle of each quarter.

**Question 27. Calculate the interest on drawings of Sh. Ganesh @ 9% p.a. for the year ended 31st March, 2016 in each of the following alternative cases:**

Case (i) If he withdrew Rs. 4,000 p.m. in the beginning of every month;

Case (ii) If he withdrew Rs. 5,000 p.m. at the end of every month;

Case (iii) If he withdrew Rs. 6,000 p.m.;

Case (iv) If he withdrew Rs. 72,000 during the year;

Case (v) If he withdrew as follows:

	<b>Rs.</b>
30 <sup>th</sup> April, 2015	10,000
1 <sup>st</sup> July, 2015	15,000
1 <sup>st</sup> Oct, 2015	18,000
30 <sup>th</sup> Nov., 2015	12,000
31 <sup>st</sup> March, 2016	20,000

Case (vi) If he withdrew Rs. 12,000 in the beginning of each quarter;

Case (vii) If he withdrew Rs. 18,000 at the end of each quarter;

Case (viii) If he withdrew Rs. 18,000 during the middle of each quarter.

**Question 28.(A)** Gupta is a partner in a firm. He drew regularly Rs. 800 at the beginning of every month for the six months ending 31st March, 2018. Calculate interest on drawings at 15% p.a.

**Question 28. (B)** Gupta is a partner in a firm. He drew regularly Rs. 800 at the end of every month for the six months ending 31st March, 2018. Calculate interest on drawings at 15% p.a.

**Question 28. (C)** A, B and C are partners in a firm. For six months ending 31st March, 2018:

A drew regularly Rs. 15,000 in the beginning of every month. B drew regularly Rs. 20,000 at the end of every month and C drew regularly Rs. 25,000 in the middle of every month. Calculate interest on drawings @ 10% p.a. for six months ending 31st March, 2018

**Question 29. (A)** A, B and C started business on 1st July, 2015. Calculate interest on drawings of Mr. A @ 9% p.a. for nine months ending 31st March, 2016, if he withdrew Rs. 10,000 p.m. in the beginning of every month.

**Question 29. (B)** A, B and C started business on 1st July, 2015. Calculate interest on drawings of Mr. B @ 9% p.a. for nine months ending 31st March, 2016, if he withdrew Rs. 10,000 p.m. at the end of every month.

**Question 29. (C)** A, B and C started business on 1st July, 2015. Calculate interest on drawings of Mr. C @ 9% p.a. for nine months ending 31st March, 2016, if he withdrew Rs. 10,000 p.m.