Accountancy

Holiday Homework

1	**In the absence of Partnership Deed, what are the rules related to :** **(a) Salaries of partners,** **(b) Interest on partners' capitals** **(c) Interest on partners' loan** **(d) Division of profit, and** **(e) Interest on partners' drawings**
2	**A and B are partners from 1st April 2018, without a Partnership Deed and they introduced capitals of ₹ 35,000 and ₹ 20,000 respectively. On 1st October 2018, A advanced loan of ₹ 8,000 to the firm without any agreement as to interest. The profit and Loss Account for the year ended 31st March 2019 shows a profit of ₹ 15,000 but the partners cannot agree on payment of interest and on the basis of division of profits.** **You are required to divide the profits between them giving reasons for your method.**
3	**Bat and Ball are partners sharing the profits in the ratio of 2 : 3 with capitals of ₹ 1,20,000 and ₹ 60,000 respectively. On 1st October, 2018, Bat and Ball gave loans of ₹ 2,40,000 and ₹ 1,20,000 respectively to the firm. Bat had allowed the firm to use his property for business for a monthly rent of ₹ 5,000. The loss for the year ended 31st March, 2019 before rent and interest amounted to ₹ 9,000. Show distribution of profit/loss.**
4	**Prem and Manoj are partners in a firm sharing profits in the ratio of 3 : 2. The Partnership Deed provided that Prem was to be paid a salary of ₹ 2,500 per month and Manoj was to get a commission of ₹ 10,000 per year. Interest on capital was to be allowed @ 5% p.a. and interest on drawings was to be charged @ 6% p.a. Interest on Prem's drawings was ₹ 1,250 and on Manoj's drawings was ₹ 425. Interest on Capitals of the partners were ₹ 10,000 and ₹ 7,500 respectively. The firm earned a profit of ₹ 90,575 for the year ended 31st March, 2018.** **Prepare Profit and Loss Appropriation Account of the firm.**
5	**Ashish and Aakash are partners sharing profit in the ratio of 3 : 2. Their Capital Accounts showed a credit balance of ₹ 5,00,000 and ₹ 6,00,000 respectively as on 31st March, 2019 after debit of drawings during the year of ₹ 1,50,000 and ₹ 1,00,000 respectively. Net profit for the year ended 31st March, 2019 was ₹ 5,00,000. Interest on capital is to be allowed @ 10% p.a.**

	Pass the Journal entry for interest on capital and prepare Profit and Loss Appropriation Account.
6	**Moli and Bholi contribute ₹ 20,000 and ₹ 10,000 respectively towards capital. They decide to allow interest on capital @ 6% p.a. Their respective share of profits is 2 : 3 and the net profit for the year is ₹ 1,500. Show distribution of profits:** **(i) when there is no agreement except for interest on capitals; and** **(ii) when there is an agreement that the interest on capital as a charge.**
7	**Amit and Vijay started a partnership business on 1st April, 2018. Their capital contributions were ₹ 2,00,000 and ₹ 1,50,000 respectively. The Partnership Deed provided as follows:** **(a) Interest on capital be allowed @ 10% p.a.** **(b) Amit to get a salary of ₹ 2,000 per month and Vijay ₹ 3,000 per month.** **(c) Profits are to be shared in the ratio of 3 : 2.** **Net profit for the year ended 31st March, 2019 was ₹ 2,16,000. Interest on drawings amounted to ₹ 2,200 for Amit and ₹ 2,500 for Vijay.** **Prepare Profit and Loss Appropriation Account.**
8	**A, B and C are partners sharing profits and losses in the ratio of A 1/2, B 3/10, C 1/5 after providing for interest @ 5% on their respective capitals, viz., A ₹ 50,000; B ₹ 30,000 and C ₹ 20,000 and allowing B and C a salary of ₹ 5,000 each per annum. During the year ended 31st March, 2019, A has drawn ₹ 10,000 and B and C in addition to their salaries have drawn ₹ 2,500 and ₹ 1,000 respectively. Profit and Loss Account for the year ended 31st March, 2019 showed a net profit of ₹ 45,000. On 1st April, 2018, the balances in the Current Accounts of the partners were A (Cr.) ₹ 4,500; B (Cr.) ₹ 1,500 and C (Cr.) ₹ 1,000. Interest is not charged on Drawings or Current Account balances. Show Partners' Capital and Current Accounts as at 31st March, 2019 after division of profits in accordance with the partnership agreement.**
9	**Amal, Bimal and Kamal are three partners. On 1st April, 2018, their Capitals stood as: Amal ₹ 40,000, Bimal ₹ 30,000 and Kamal ₹ 25,000. It was decided that:** **(a) they would receive interest on Capital @ 5% p.a.,** **(b) Amal would get a salary of ₹ 250 per month,** **(c) Bimal would receive commission @ 4% on net profit after deducting commission, interest on capital and salary, and**

	(d) After deducting all of these 10% of the profit should be transferred to the General Reserve. **Before the above items were taken into account, net profit for the year ended 31st March, 2019 was ₹ 33,360. Prepare Profit and Loss Appropriation Account and the Capital Accounts of the Partners.**
10	**Moli, Bhola and Raj were partners in a firm sharing profits and losses in the ratio of 3:3:4. Their partnership deed provided for the following:** **(i) Interest on capital @5% p.a** **(ii) Interest on drawing @12% p.a** **(iii) Interest on partners' loan @6% p.a** **(iv) Moli was allowed an annual salary of Rs. 4,000; Bhola was allowed a commission of 10% of net profit as shown by Profit and Loss Account and Raj was guaranteed a profit of Rs. 1,50,000 after making all the adjustments as provided in the partnership agreement.** **Their fixed capitals were Moli: Rs. 5,00,000; Bhola: Rs. 8,00,000 and Raj: Rs. 4,00,000. On 1st April, 2016 Bhola extended a loan of Rs. 1,00,000 to the firm. The net profit of the firm for the year ended 31st March, 2017 before interest on Bhola's loan were Rs. 3,06,000.** **Prepare Profit and Loss Appropriation Account of Moli, Bhola and Raj for the year ended 31st March, 2017 and their Current Accounts assuming that Bhola withdrew Rs. 5,000 at the end of each month, Moli withdrew Rs. 10,000 at the end of each quarter and Raj withdrew Rs. 40,000 at the end of each half year.**