



ACCOUNTANCY  
Ch.4 Reconstitution of  
Partnership: Admission of  
a Partner

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Class: XII

1. A and B are partners sharing profit and loss in the ratio of 3:2. C is admitted for  $\frac{1}{5}$ <sup>th</sup> share. Afterwards D enters for 25 paise in the rupee. Calculate new ratio of A B C and D
2. A and B are partners sharing profits in the ratio of 3:2. C and D join the firm .A sacrifice  $\frac{1}{2}$  of his share in favour of C and B sacrifices  $\frac{1}{4}$ <sup>th</sup> in favour of D. Compute new ratio of A B C and D
3. A and B are partners sharing profits in the ratio of 3:2. C was admitted for  $\frac{1}{6}$ <sup>th</sup> share of profit with a minimum guarantee of ₹10,000. At the close of the first financial year , the firm earned a profit of ₹54,000. Find out the share of profit which A B and C will get.
4. P and Q are partners sharing profits in the ratio of 3:2. They admit R for  $\frac{3}{10}$ <sup>th</sup> share which he acquires in the ratio of 2:1 from old partners. Calculate new ratio and sacrificing ratio
6. A, B and C are partners sharing profits in the ratio of  $\frac{1}{2}$ : $\frac{1}{3}$ : $\frac{1}{6}$  . D is admitted in the firm for  $\frac{1}{6}$  share. C's share will remain unchanged, calculate new ratio.
7. A, B and C were partners in a firm sharing profits in the ratio of 3:2:1. They admitted D as a new partner for  $\frac{1}{8}$ <sup>th</sup> share in the profits, which he acquired  $\frac{1}{16}$ <sup>th</sup> from B and  $\frac{1}{16}$  th from C. Calculate the new profit sharing ratio of A B C and D
8. Rajesh and Vikram are partners sharing profits and losses in the ratio of 3:2. They admit Varun as a new partner who gets  $\frac{1}{5}$  of his share of profit, entirely from Rajesh. Calculate new profit – sharing ratio
9. Nishitha and Anshu were partners sharing profits in the ratio of 3:2. They admitted Jyothi as a new partner for  $\frac{3}{10}$ <sup>th</sup> share which she acquired  $\frac{2}{10}$ <sup>th</sup> from Nishitha and  $\frac{1}{10}$ <sup>th</sup> from Anshu. Calculate the new profit sharing ratio of Nishitha Anshu and Jyothi.
10. Sandeep and Navdeep are partners in a firm sharing profits in the ratio 5:3. They admit Chethan into the firm and a new profit sharing ratio was agreed at 4:2:1. Calculate the sacrificing ratio
11. Shanthi and Sukdev are old partners sharing profits in the ratio of 5:3. Darshan joined as a new partner with  $\frac{1}{5}$ <sup>th</sup> share of profits. Calculate the new profit sharing ratio and sacrificing ratio.
12. L and M are partners sharing profits in the ratio of 5:3. They admit N for  $\frac{1}{4}$ <sup>th</sup> share and agree to share profit between them in the ratio of 2:1 in future. Calculate new profit-sharing ratio and sacrificing ratio.



13. A and B are partners sharing profits in the ratio of 7:3. A surrenders  $\frac{1}{7}$ <sup>th</sup> of his share and B surrendered  $\frac{1}{3}$ <sup>rd</sup> of his share in favour of C, the new partner. What is the sacrificing ratio?
14. A and B are partners sharing profits and losses in the ratio of 3:2. They admit C into the partnership for  $\frac{1}{4}$ <sup>th</sup> share in profits. C brings ₹ 3,00,000 as capital and ₹1,00,000 as goodwill. New profit-sharing ratio of the partners shall be 3:3:2. Pass necessary journal entries.
15. George and Henry are partners sharing profits and losses in the ratio of 3:2. They decided to admit David as a new partner and to share future profits and losses equally. David brings in ₹50,000 as his capital. Goodwill of the firm is valued at ₹60,000. Pass the necessary journal entries when goodwill already appears at ₹50,000 in the books
16. A and B were partners in a firm sharing profits in 4 : 3 ratio. On 1st April, 2017 they admitted C as a new partner. On the date of C's admission, the Balance Sheet of A and B showed a general reserve of ₹70,000 and a debit balance of ₹7,000 in the 'Profit and Loss Account'. Pass the necessary journal entries for the treatment of these items on C's admission.
17. Ashok and Ravi were partners in a firm sharing profits in the ratio of 7 : 3. They admitted Chander as a new partner. The profit-sharing ratio between Ashok, Ravi and Chander will be 2:2:1. Chander brought ₹24,000 for his share of goodwill. Pass necessary Journal entries for the treatment of goodwill.
18. A and B are partners in a firm sharing profits in the ratio of 3 : 1 . They admitted C as a new partner. The new profit-sharing ratio of A, B and C will be 2:1:1. C. brought ₹2,50,000 for his capital but could not bring his share of goodwill (premium) ₹10,000 in cash. Pass necessary journal entries in the books of the firm for the amount of capital brought in by C and for the treatment of goodwill.
19. Anubhav and Babita are partners in a firm sharing profits in the ratio of 3 : 2. On April 1, 2017 they admit Deepak as a new partner for  $\frac{3}{13}$  share in the profits. Deepak contributed the following assets towards his capital and for his share of goodwill: land ₹90,000 , machinery ₹70,000, stock ₹60,000 and debtors ₹40,000. On the date of admission of Deepak, the goodwill of the firm was valued at ₹5,20,000, which is not to appear in the books. Record necessary journal entries in the books of the firm. Show your calculations clearly.
20. Mamta and Seema are partners in a firm, sharing profits in the ratio of 3:2. They admit Rakhi as a partner with  $\frac{1}{4}$ <sup>th</sup> share in the profits of the firm. Rakhi brings ₹8,00,000 as her share of capital. The value of the total assets of the firm was ₹16,00,000 and outside liabilities were valued at ₹2,00,000 on that date. Give the necessary journal entry to record goodwill at the time of Rakhi's admission. Also show your workings.
22. Charu and Harsha were partners in a firm sharing profits in the ratio of 3:2. On 1<sup>st</sup> April 2014 their Balance sheet was as follows:

# INDIAN SCHOOL NIZWA - WORKSHEET



Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	17,000	Cash	6,000
General reserve	4,000	Debtors	15,000
Workmen Compensation fund	9,000	Investment	20,000
Investment Fluctuation Fund	11,000	Plant	14,000
Provision for bad debts	2,000	Land & Building	38,000
Capitals			
Charu 30,000			
Harsha 20,000	50,000		
	93,000		93,000

On the above date Vaishali was admitted for 1/4<sup>th</sup> share in the profits of the firm on the following terms:

- a) Vaishali will bring ₹20,000 for her capital and ₹4,000 for her share of goodwill premium.
- b) All debtors were considered good.
- c) The market value of investment was ₹15,000
- d) There was a liability of ₹60,000 for workmen compensation
- e) Capital account of Charu and Harsha are to be adjusted on the basis of Vaishali's capital by opening current accounts..

Prepare Revaluation account and Partners' capital accounts.

23. Rajesh and Ravi are partners sharing profits in the ratio 3:2. Their Balance Sheet stood as under on 31<sup>st</sup> March, 2017

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	77,000	Cash	4,000
Employees' provident fund	8,000	Stock	30,000
Capitals:		Prepaid insurance	3,000
Rajesh	52,000	Debtors: 18,800	
Ravi	26,000	Less: Provision 800	18,000
Workmen's compensation reserve	5,000	Machinery	38,000
Contingency reserve	5,000	Building	70,000
		Furniture	10,000
	1,73,000		1,73,000

Raman is admitted as a new partner introducing a capital of ₹32,000. The new profit-sharing ratio is decided as 5:3:2. Raman is unable to bring in any cash for goodwill. So it is decided to calculate the amount of goodwill on the basis of Raman's share in the profit and the capital contributed by him. Following revaluations are made:

- a) Stock to be depreciated by 5%
- b) Provision for doubtful debts to be made at ₹1000
- c) Furniture to depreciate by 10%
- d) Building is valued at ₹80,000

Show the necessary journal Accounts and the Balance sheet of the new firm.

24. B and C were partners sharing profits in the ratio of 3:2. Their Balance Sheet as on 31<sup>st</sup> March, 2017 was as follows

# INDIAN SCHOOL NIZWA - WORKSHEET



Liabilities	Amt(₹)	Assets	Amt(₹)
Capitals:		Land & Building	80,000
B    60,000		Machinery	20,000
C    40,000	1,00,000	Furniture	10,000
Provision for doubtful debts	1,000	Debtors	25,000
Creditors	60,000	Cash	16,000
		Profit & Loss Account	10,000
	1,61,000		1,61,000

'D' was admitted to the partnership for 1/5th share in the profits on the following terms:

- (i) The new profit-sharing ratio was decided as 2:2:1.
  - (ii) D will bring ₹30,000 as his capital and ₹15,000 for his share of goodwill.
  - (iii) Half of goodwill amount was withdrawn by the partner who sacrificed his share of profit in favour of 'D'.
  - (iv) A provision of 5% for bad and doubtful debts was to be maintained.
  - (v) An item of ₹500 included in Sundry Creditors was not likely to be paid.
  - (vi) A provision of ₹800 was to be made for claims for damages against the firm.
- After making the above adjustments, the Capital Accounts of 'B' and 'C' were to be adjusted on the basis of D's Capital. Actual cash was to be brought in or to be paid off as the case may be. Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the new firm.

25. Mohan and Mahesh were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2017 they admitted Nusrat as partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under:

Liabilities	Amt(₹)	Assets	Amt(₹)
Creditors	2,10,000	Cash in hand	1,40,000
Workmen's compensation reserve	2,50,000	Debtors	1,60,000
General reserve	1,60,000	Stock	1,20,000
Capitals:		Machinery	1,00,000
Mohan    1,00,000	1,80,000	Building	2,80,000
Mahesh    80,000			
	8,00,000		8,00,000

It was agreed that: (i) The value of Building and Stock be appreciated to ₹ 3,80,000 and ₹1,60,000 respectively.

- (ii) The liabilities of workmen's compensation reserve was determined at ₹2,30,000.
- (iii) Nusrat brought in her share of goodwill ₹1,00,000 in cash.
- (iv) Nusrat was to bring further cash as would make her capital equal to 20% of the combined capital of Mohan and Mahesh after above revaluation and adjustments are carried out.
- (v) The future profit sharing ratio will be for Mohan -2/5th, Mahesh 2/5 th, Nusrat 1/5th.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the new firm Also show clearly the calculation of Capital brought by Nusrat

26. A, B and C were partners in a firm sharing profits and losses in the ratio 3:2:1. On 31<sup>st</sup> March 2015, their Balance sheet was as follows:

Liabilities	Amt(₹)	Assets	Amt(₹)
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# INDIAN SCHOOL NIZWA - WORKSHEET



Creditors	84,000	Bank	17,000
General Reserve	21,000	Debtors	23,000
Capitals		Stock	1,10,000
A 60,000		Investments	30,000
B 40,000		Furniture & Fittings	10,000
C 20,000	1,20,000	Machinery	35,000
	2,25,000		2,25,000

On the above date D was admitted as a new partner and it was decided that:

1. The new profit sharing ratio between A, B, C and D will be 2 : 2 : 1 : 1.
2. Goodwill of the firm was valued at ₹90,000 and D brought his share of goodwill premium in cash.
3. The market value of investments was ₹24,000.
4. Machinery will be reduced to ₹29,000.
5. A creditor of ₹3,000 was not likely to claim the amount and hence to be written off.
6. D will bring proportionate capital so as to give him 1/6th share in the profits of the firm.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

