

ASSIGNMENT

Solve the following questions:

Question 1.

In the absence of Partnership Deed, what are the rules relation 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

Question 2.

Following differences have arisen among P, Q and R. State who is correct in each case:

- (a) P used ₹ 20,000 belonging to the firm and made a profit of ₹ 5,000. Q and R want the amount to be given to the firm?
- (b) Q used ₹ 5,000 belonging to the firm and suffered a loss of ₹ 1000. He wants the firm to bear the loss?
- (c) P and Q want to purchase goods from a Ltd., R does not agree
- (d) Q and R want to admit C as partner, P does not agree?

Question 3.

A and B are partners in a firm sharing profits in the ratio of 3 : 2. They had advanced to the firm a sum of ₹ 30,000 as a loan in their profit-sharing ratio on 1st October, 2017. The Partnership Deed is silent on interest on loans from partners. Compute interest payable by the firm to the partners, assuming the firm closes its books every year on 31st March.

Question 4.

A and B are partners in a firm sharing profits equally. They had advanced to the firm a sum of ₹ 30,000 as a loan in their profit-sharing ratio on 1st October, 2017. The Partnership Deed is silent on the question of interest on the loan from partners. Compute the interest payable by the firm to the partners, assuming the firm closes its books on 31st March each year.

Question 5.

X, Y and Z are partners in a firm sharing profits in 2 : 2 : 1 ratio. The fixed capitals of the partners were : X ₹5,00,000; Y ₹ 5,00,000 and Z ₹ 2,50,000 respectively. The Partnership Deed provides that interest on capital is to be allowed @ 10% p.a. Z is to be allowed a salary of ₹ 2,000 per month. The profit of the firm for the year ended 31st March, 2018 after debiting Z's salary was ₹ 4,00,000. Prepare Profit and Loss Appropriation Account.

Sums related to Profit And Loss Appropriation Account

Question 6.

Reema and Seema are partners sharing profits equally. The Partnership Deed provides that both Reema and Seema will get monthly salary of Rs 15,000 each, Interest on Capital will be allowed @ 5% p.a. and Interest on Drawings will be charged @ 10% p.a. Their capitals were Rs 5,00,000 each and drawings during the year were Rs 60,000 each. The firm incurred a loss of Rs 1,00,000 during the year ended 31st March, 2018. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2018

Sums related to Journal Entries regarding Profit And Loss Appropriation Account

Question 7.

Kamal and Kapil are partners having fixed capitals of ₹ 5,00,000 each as on 31st March, 2017. Kamal introduced further capital of ₹ 1,00,000 on 1st October, 2017 whereas Kapil withdrew ₹ 1,00,000 on 1st October, 2017 out of capital. Interest on capital is to be allowed @ 10% p.a. The firm earned net profit of ₹ 6,00,000 for the year ended 31st March 2018. Pass the Journal entry for interest on capital and prepare Profit and Loss Appropriation Account.

Question 8.

Anita and Ankita are partners sharing profits equally. Their capitals, maintained following Fluctuating Capital Accounts Method, as on 31st March, 2017 were ₹ 5,00,000 and ₹ 4,00,000 respectively. Partnership Deed provided to allow interest on capital @ 10% p.a. The firm earned net profit of ₹ 2,00,000 for the year ended 31st March, 2018. Pass the journal entry for interest on capital.

Sums related to Interest on drawings regarding Profit And Loss Appropriation Account

Question 9

A and B are partners sharing profits equally. A drew regularly ₹ 4,000 in the beginning of every month for six months ended 30th September, 2019. Calculate interest on drawings @ 5% p.a. for a period of six months.

Question 10

One of the partners in a partnership firm has withdrawn ₹ 9,000 at the end of each quarter, throughout the year. Calculate interest on drawings at the rate of 6% per annum.

Question 11

Calculate interest on drawings of Ashok @ 10% p.a. for the year ended 31st March, 2019, in each of the following alternative cases:

Case 1. If he withdrew ₹ 7,500 at the beginning of each quarter.

Case 2. If he withdrew ₹ 7,500 at the end of each quarter.

Case 3. If he withdrew ₹ 7,500 during the middle of each quarter

Sums related to Manager's Commission regarding Profit And Loss Appropriation Account

Question 12

A, B, C, and D are partners in a firm sharing profits as 4 : 3 : 2 : 1 respectively. It earned a profit of ₹ 1,80,000 for the year ended 31st March, 2018. As per the Partnership Deed, they are to charge a commission @ 20% of the profit after charging such commission which they will share as 2 : 3 : 2 : 3. You are required to show appropriation of profits among the partners.