



1. (b) Reconstitution of Partnership.
2. (d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).
3. (b)

R's Capital A/c (₹ 60,000 × 7/30)	...Dr.	₹ 14,000	
To P's Capital A/c (₹ 60,000 × 5/30)			₹ 10,000
To Q's Capital A/c (₹ 60,000 × 2/30)			₹ 4,000

Working Note:

Net Effect of General Reserve & Dr. Balance of Profit & Loss A/c = ₹ 80,000 – ₹ 20,000 = ₹ 60,000

Sacrifice Share = Old Profit Share – New Profit Share

$$P = \frac{5}{10} - \frac{1}{3} = \frac{5}{30} \text{ (i.e., Sacrifice)}$$

$$Q = \frac{4}{10} - \frac{1}{3} = \frac{2}{30} \text{ (i.e., Sacrifice)}$$

$$R = \frac{1}{10} - \frac{1}{3} = \frac{7}{30} \text{ (i.e., Gain)}$$

4. (a) ₹ 90,000.

Working Note:

[₹ 99,000 – (₹ 99,000 × 10/110)] = ₹ 90,000.

5. (a) Investment Fluctuation Reserve ₹ 60,000 will be credited to all partners in their old profit-sharing ratio.
6. (a) 1, 2 and 4.

7. (a) Y's Capital A/c	...Dr.	₹ 4,000	
Z's Capital A/c	...Dr.	₹ 2,000	
To X's Capital A/c			₹ 6,000

Working Note:

Calculation of Gain/Sacrifice of Partners:

	X	Y	Z
New Profit Share	2/5	2/5	1/5
Old Profit Share	3/6	2/6	1/6
Difference	2/5 – 3/6 = (3/30)	2/5 – 2/6 = 2/30	1/5 – 1/6 = 1/30
	Sacrifice	Gain	Gain

Compensation payable by Y to X = ₹ 60,000 × 2/30 = ₹ 4,000.

Compensation payable by Z to X = ₹ 60,000 × 1/30 = ₹ 2,000.

8.

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2025				
April 1	X's Capital A/c ...Dr.		15,000	
	Y's Capital A/c ...Dr.		9,000	
	Z's Capital A/c ...Dr.		6,000	
	To Goodwill A/c			30,000
	(Existing goodwill written off in old ratio)			
	Goodwill A/c ...Dr.		1,80,000	
	To X's Capital A/c			90,000
	To Y's Capital A/c			54,000
	To Z's Capital A/c			36,000
	(Goodwill raised and credited to Partners' Capital Accounts in old profit-sharing ratio)			
	X's Capital A/c ...Dr.		60,000	
	Y's Capital A/c ...Dr.		60,000	
	Z's Capital A/c ...Dr.		60,000	
	To Goodwill A/c			1,80,000
	(Goodwill written off by debiting to Partners' Capital Accounts in new profit-sharing ratio)			

9. (i) Calculation of Gain/Sacrifice Share:

	Sonu	Sumit	Sahil
New Profit Share	2/10	5/10	3/10
Old Profit Share	5/10	3/10	2/10
Difference	<u>- 3/10</u>	<u>2/10</u>	<u>1/10</u>
	Sacrificing Partner	Gaining Partner	Gaining Partner

(ii) Net Effect of Adjustment to be made

	₹
Increase in Value of Land	5,00,000
Decrease in Value of Stock	<u>(3,00,000)</u>
Net Effect of Adjustment to be made	<u>2,00,000</u>

ADJUSTING JOURNAL ENTRY

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2025				
April 1	Sumit's Capital A/c (₹ 2,00,000 × 2/10) ...Dr.		40,000	
	Sahil's Capital A/c (₹ 2,00,000 × 1/10) ...Dr.		20,000	
	To Sonu's Capital A/c			60,000
	(Adjustment made on account of change in profit-sharing ratio by debiting gaining partners and crediting sacrificing partner)			