



ANSWERS

1. (c) Q's Capital A/c ...Dr. 27,000
R's Capital A/c ...Dr. 18,000
To P's Capital A/c 45,000
2. (b) Profit & Loss Appropriation Account.
3. (d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).
4. (c) ₹ 4,000.

Working Note:

Profit of the firm on the basis of sales from 1st April to 30th June:

$$= \frac{\text{₹ } 60,000}{\text{₹ } 6,00,000} \times \text{₹ } 2,00,000 = \text{₹ } 20,000$$

$$Z\text{'s share of profit} = \text{₹ } 20,000 \times \frac{1}{5} = \text{₹ } 4,000.$$

5. (a) his/her share of goodwill.
6. (b) ₹ 5,000.

Working Note:

$$\text{Meetu's Share of Profit} = \text{₹ } 45,000 \times \frac{4}{12} \times \frac{2}{6} = \text{₹ } 5,000.$$

7.

Dr.			ZUBIN'S EXECUTOR'S ACCOUNT			Cr.		
Date	Particulars	₹	Date	Particulars	₹			
2022			2022					
Aug. 1	To Bank A/c	10,300	Aug. 1	By Zubin's Capital A/c	90,300			
2023			2023					
March 31	To Balance c/d	83,200	March 31	By Interest A/c (₹ 80,000 × 6/100 × 8/12)	3,200			
		93,500			93,500			
2024			2023					
March 31	To Bank A/c (₹ 40,000 + ₹ 3,200 + ₹ 4,800)	48,000	April 1	By Balance b/d	83,200			
March 31	To Balance c/d	40,000	2024					
		88,000	March 31	By Interest A/c (₹ 80,000 × 6/100)	4,800			
2025					88,000			
March 31	To Bank A/c	42,400	2024					
		42,400	April 1	By Balance b/d	40,000			
			2025					
			March 31	By Interest A/c (₹ 40,000 × 6/100)	2,400			
					42,400			

8.

Dr.		MANU'S CAPITAL ACCOUNT		Cr.	
Particulars	₹	Particulars	₹		
To Revaluation A/c (Loss) (WN 3)	1,179	By Balance b/d	65,000		
To Manu's Loan A/c	40,000	By Sudhir's Capital A/c (WN 1)	28,000		
To Manu's Executor's A/c (Bal. Fig.)	1,05,988	By Deepak's Capital A/c (WN 1)	12,000		
		By Profit & Loss Suspense A/c (WN 2)	32,000		
		By Interest on Capital A/c (₹ 65,000 × 8/100 × 5/12)	2,167		
		By General Reserve A/c	8,000		
	1,47,167		1,47,167		

Dr.		MANU'S EXECUTOR'S ACCOUNT		Cr.	
Particulars	₹	Particulars	₹		
To Furniture A/c	3,375	By Manu's Capital A/c	1,05,988		
To Balance c/d	1,02,613				
	1,05,988		1,05,988		

Working Notes:

1. Value of Firm's Goodwill = ₹ 70,000 × 2 = ₹ 1,40,000.

$$\text{Manu's Share of Goodwill} = ₹ 1,40,000 \times \frac{4}{14} = ₹ 40,000.$$

$$\text{Which is contributed by Sudhir and Deepak in their gaining ratio, i.e., 7 : 3. Sudhir's contribution} = ₹ 40,000 \times \frac{7}{10} = ₹ 28,000 \text{ and Deepak's contribution} = ₹ 40,000 \times \frac{3}{10} = ₹ 12,000.$$

- 2.
- Manu's Share of Profit:*

$$\text{Percentage of profit on sales} = \frac{₹ 2,24,000}{₹ 8,00,000} \times 100 = 28\%$$

$$\text{Profit up to 1st September, 2024} = ₹ 4,00,000 \times \frac{28}{100} = ₹ 1,12,000$$

$$\text{Manu's share of profit} = ₹ 1,12,000 \times \frac{4}{14} = ₹ 32,000$$

Alternate way to calculate Manu's share of profit:

$$\text{Manu's Share of Profit} = \frac{₹ 2,24,000}{₹ 8,00,000} \times 4,00,000 \times \frac{4}{14} = ₹ 32,000.$$

3. Dr.		REVALUATION ACCOUNT		Cr.	
Particulars	₹	Particulars	₹		
To Unrecorded Liability A/c	7,500	By Furniture A/c	3,375		
		By Loss transferred to:			
		Sudhir's Capital A/c	2,062		
		Deepak's Capital A/c	884		
		Manu's Capital A/c	1,179		4,125
	7,500				7,500