



## ANSWERS

1. (b)
2. (b) Profit & Loss Appropriation Account.
3. (d)
4. (c) Profit of the firm on the basis of sales from 1st April to 30th June:

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

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

5. (b)
6. (a)
- 7.

Dr.			ZUBIN'S EXECUTOR'S ACCOUNT			Cr.		
Date	Particulars	₹	Date	Particulars	₹			
2019			2019					
Aug. 1	To Bank A/c	10,300	Aug. 1	By Zubin's Capital A/c	90,300			
2020			2020					
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			
2021			2021					
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	March 31	By Interest A/c (₹ 80,000 × 6/100)	4,800			
		88,000			88,000			
2022			2022					
March 31	To Bank A/c	42,400	April 1	By Balance b/d	40,000			
		42,400	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 Rani's Capital A/c (WN 1)	28,000		
To Manu's Executor's A/c (Bal. Fig.)	1,05,988	By Adi'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.

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

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

2. Manu's Share of Profit:

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

$$\text{Profit up to 1st September, 2022} = ₹ 4,00,000 \times \frac{28}{100} = ₹ 1,12,000$$

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

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:			
		Rani's Capital A/c	2,062		
		Adi's Capital A/c	884		
		Manu's Capital A/c	1,179	4,125	
	7,500			7,500	