

1. Given below are the details of Decent Sports club

Balance Sheet as on 1st april 2015

Liabilities	Rs	Assets	Rs
Capital Fund	925000	Play Ground	800000
Building Fund	500000	Furniture	36000
Subscription received in advance for the year 2015-2016	9000	Stock of sports material	44000
		Building fund investment	500000
		Cash at bank	20000
		Outstanding subscription	34000
	1434000		1434000

Receipts and payments Account

For the year ended 31st March 2016

Receipts	Rs	Payments	Rs
To balance b/d	20000	By Sports material purchased	52000
To subscription	201800	By salaries	87000
To Donations	56000	By office expenses	126000
To Admission Fees	13000	By Telephone charges	12400
To Sundry Receipts	2700	By balance c/d Cash at bank	34100
To interest on investment in building Fund	18000		
	311500		311500

Adjustments:

1. Closing stock of stock of material was Rs.48000
2. Admission Fees and donations are to be capitalized

- Subscriptions received during the year includes Rs.34000 for previous year and Rs.10000 for the next year. Current year's subscription Rs.29000 is yet to be received.

2. Meera, Sarthak and Rohit were partners sharing profits in the ratio of 2 : 2 : 1. On 31 March 2018, their Balance Sheet was as follows :

**Balance Sheet of Meera, Sarthak and Rohit as at 31 March 2018**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	3,00,000	Fixed Assets	7,00,000
Contingency Reserve	1,00,000	Stock	2,00,000
Capital :		Debtors	1,50,000
Meera	4,00,000	Cash at bank	3,50,000
Sarthak	4,00,000		
Rohit	2,50,000		
	14,00,000		14,00,000

Sarthak died on 30th June, 2018. According to the partnership deed, his executors were entitled to : The firm's profits for the last four years were : 2014 – 15 Rs.1,20,000, 2015 – 16 Rs.2,00,000, 2016 – 17 Rs.2,60,000 and 2017 – 18 Rs.2,20,000. Sarthak's executors were paid the amount due immediately. Prepare Sarthak's Capital Account to be presented to his executors.

- Balance in his Capital Account.
- His share of goodwill will be calculated on the basis of thrice the average of the past 4 years' profits.

3. His share in profits up to the date of death on the basis of average profits of the last two years. The time period for which he survived in the year of death will be calculated in months.
4. Interest on capital @ 12% p.a. up to the date of his death

3. Balance Sheet of MAC, Paul and Sam is as follows

Balance Sheet as on 31st March 2016

Liabilities	Rs	Assets	Rs
Capital Accounts		Cash	12000
Mac	32000	Debtors	16000
Paul Sam	18000 16000	Stock	10000
Creditors	18400	Plant and Machinery	50000
Bills Payable	3600		
	88000		88000

Sam Retires from the business on the above date on following terms:

1. Stock to be depreciated by 6% and plant & machinery to be depreciated by 10%
2. Provision for doubtful debts to be created at 5 % on debtors.
3. Provision for outstanding rent to be made for Rs.1600
4. Goodwill of the firm is raised to the extent of retiring partner's share of Rs.18000 and remaining partners decided that goodwill should not appear in the books of accounts.
5. Their profit sharing ratio is 2:2:1
6. The amount payable to the retiring partner should be transferred to his loan account.

**Prepare:**

**P&L Adjustment Account**

**Partners Capital Account**

**Balance Sheet**

4. Ram Laxman Bharat were partners sharing profits and losses in the ratio of 2:2:1

Following is the balance sheet as on 31st March 2016

Balance sheet as on 31st march 2016

Liabilities	Rs	Assets	Rs
Capital Accounts		Plant & Machinery	200000
Ram	240000	Stock	80000
Laxman	80000	Debtors	220000
		Less: RDD	12000
			208000

Bharat	80000	Investments	96000
General Reserve	24000	Profit & Loss Account	72000
Creditors	192000	Bank balance	16000
Bills Payable	56000		
	672000		672000

On the above date partners decided to dissolve the firm:

1. Assets were realized as under- Machinery Rs.180000 Stock Rs.72000  
Investment Rs. 84000 Debtors Rs.180000
2. Dissolution expenses were Rs.12000
3. Goodwill of the firm realized Rs.96000

Prepare

Realization Account

Partners Capital Account

Bank Account