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XII ACCOUNTANCY
Assignment 7
Topic: Admission of a Partner

Calculation of New Profit Sharing Ratio and Sacrificing Ratio

Q. 1 A and B are partners sharing profits in the ratio of 2:1. C is admitted with 5/11th share which he takes 1/11th from A and remaining from B. Calculate new profit sharing ratio and the sacrificing ratio.

Q. 2 A and B are partners sharing profits and losses in the ratio of 4:3. They admit R as partner for a 1/7th share in profits which he acquires equally from A and B. Calculate new profit sharing ratio and sacrificing ratio

Q. 3 D, E and F were partners in a firm sharing profits in 1:2:3 ratio. They admitted G as a new partner for 1/6 share. G acquired his share 1/24 from D, 1/24 from E and 1/12 from F. Calculate new profit sharing ratio and sacrificing ratio.

Q. 4 E and F are partners sharing profits in the ratio of 3:2. E surrenders 1/3rd of his share and F surrenders $1/4^{th}$ of his share in favour of G, a new partner. Calculate new profit sharing ratio and sacrificing ratio.

Q. 5 X and Y are two partners sharing profits in the ratio of 3:2. They admit C into partnership as a partner. X gives 1/3rd of his share while Y gives 1/10th from him share. Calculate new profit sharing ratio and sacrificing ratio.

Q. 6 Drishti and Namrata are partners sharing profits and losses in the ratio of 4:3. Mugdha is admitted for 1/5th share. Drishti and Namrata decided to share equally in future. Calculate new ratio and sacrificing ratio.

Q. 7 Sunil, Shyam, Anil and Jatin are in partnership sharing profits and losses in the ratio of 36:24:20:20 respectively. Deepak joins the partnership for 20% share, Sunil, Shyam, Anil and Jatin would in future share profits among themselves as 3/10:4/10:2/10 and 1/10. Calculate new profit sharing ratio after Deepak's admission.

Q. 8 Q, R and S are partners in the ratio of 2:3:1 T is admitted with 1/6th share in profits. S would retain his original share. Calculate new profit sharing ratio and sacrificing ratio.

Q. 9 L and M share profits and losses in the ratio of 3:5. N is admitted for 3/10th share of profits half of which was gifted by L and the remaining share was taken by N equally from L and M. Calculate new profit sharing ratio and sacrificing ratio.

Q. 10 O and P are sharing profits and losses in 4:1. They admit Q and decide that the profit sharing ratio between O and P shall be the same as existing between O and P. Calculate new profit sharing ratio and sacrificing ratio.

Q. 11 L, M and N are partners sharing profits in the ratio of 3:2:5. They admitted O with 1/4th share which is contributed by L, M and N in the ratio of 1:1:3. Find new profit sharing ratio and sacrificing ratio.

<u>Treatment of Goodwill</u>

Q. 12 A and B are partners in a firm with ratio of 3:1. They admit C for 1/4 share. Goodwill already appears in the books at ` 2,00,000. Goodwill of the firm is valued at ` 6, 00,000. C pays his proportionate share of goodwill in cash to A and B privately. Pass necessary entries.

Q. 13 P and Q are partners in a firm sharing profits and losses in the ratio of 3:2. They admit R into partnership for 1/5th share. R brings in ` 1, 50,000 as capital and ` 50,000 as goodwill. At the time of admission of R, goodwill appears in the Balance Sheet of P and Q at ` 15,000. The new profit-sharing ratio of the partners will be 5:3:2. Pass necessary entries.

Q. 14 A and B are partners sharing profits in the ratio of 3:2. C is admitted for 1/4th share of the profits, share of A and B remains same as before. Goodwill is valued at ` 5, 00,000. Pass necessary entries.

Q. 15 X and Y are in partnership sharing profits and losses as 3:1. They admit Z into the firm, Z paying a premium of ` 75,000 for 1/3rd sharing of the profits. As between themselves X and Yagree to share the future profits and losses equally. Pass necessary journal entries.

Q. 16 L and M are partners in a firm sharing profits and losses in the ratio of 3 : 2. A new partner N is admitted. L surrenders 1/5th of his share and M 2/5th of his share in favour of N. For the purpose of N's admission, goodwill of the firm is valued at ` 2, 25,000 and N brings in his share of goodwill in cash which is retained in the firm's books. Journalize the above transactions.

Q.17 U and V are partners sharing profits in the ratio of 3:1. Z is admitted as a partner for which he pays ` 1, 50,000 for goodwill for goodwill in cash. U, V and W decided to share the future profits in equal proportion. You are required to pass a single Journal entry to give effect to the above arrangement.

Q. 18 Vinay and Prabodh are in partnership sharing profits and losses in the ratio of 3:1. They admit Avijeet for one third share of the profits. Avijit brings `

45,000 in cash for his share of goodwill. As between themselves, Vinay and Prabodh agree to share future profits and losses equally. The amount of goodwill is withdrawn by the concerned partners to the extent of 30% of what is credited to them. Draft Journal entries showing the appropriation of the premium money.

Q. 19 A and B are partners in a firm sharing profits in the ratio of 3:2. On April 1, 2018 they admit C as a new partner. The new profit sharing ratio of A, B and C will be 5:5:3. C contributed the following assets towards his capital and for his share of Goodwill: Stock ` 96,000, Debtor ` 84,000. Plant and Machinery ` 1, 08,000. On the date of admission of C, the goodwill of the firm was valued at ` 7, 80,000. Record necessary journal entries in the books of the firm on C's admission.

Q. 20 A, B and C share profits in the ratio of 5:3:2. D was admitted into partnership. D brings in ` 1, 50,000 as his capital. D is entitled for 1/5th share in profits which he acquires equally from A, B and C. Goodwill of the firm is to be valued at three years' purchase of last four years' average profits. The profits of the last four year are ` 1, 60,000, ` 1, 90,000, ` 1, 75,000 and ` 1, 55,000 respectively. D cannot bring goodwill in cash. Goodwill already appears in the books at ` 2, 50,000. Give Journal entries.

Q. 21 U, V and W were partners sharing profits and losses as to U one-half; V one-third; and W one-sixth. As from 1st April, 2018, they agreed to admit X into partnership for one-sixth share in profits and losses, which he acquires equally from U and V, and is to bring in ` 2, 50,000 for his capital and ` 1, 00,000 as premium for goodwill. A paid in his capital money but in respect of premium for goodwill, he could bring in only ` 75,000.

You are required to:

(i) Give the Journal entries to carry out the above arrangements, and

(ii) Work out the new profit-sharing ratio of the partners.

Q. 22 P and Q are partners with capital of ` 26, 00,000 and ` 40, 00,000. They share profits in the ratio of 1:2. They admit R as a partner with 1/5th share in the profits of the firm. R brings in ` 24, 00,000 as his share of capital. The Profit and Loss Account showed a credit balance of ` 12, 00,000 as on the date of admission of R. Give the necessary Journal entries to record the goodwill.