Q.2) A,B and C were in partnership sharing profits 1/2, 1/3 and 1/6. The balance sheet of the partnership as at 31st December was as under:-

Liabilities		₹	Assets	₹
Capitals			Fixed Assets	70,000
-A	50,000		Stock	34,000
-B	30,000		Debtors	45,000
-C	20,000	1,00,000	Cash	61,000
Currents a/ce :				
-A	24000			
-B	18000			
-C	13000	55,000		
Loan from B		20,000		
Creditors		35,000		
		2,10,000		2,10,000

The fixed asset included two motor cars having book value of ₹ 7,000 and ₹ 5,000

The Partners accepted the offer of Unique India Limited to acquire the stock and fixed assets, other than motor cars, at an inclusive price of ₹ 1, 50,000. The purchase consideration was to be satisfied by a cash payment of 26,000 and allotment by the company to the partners of ₹ 5,500 12%. Preference shares of ₹ 10 each @ ₹ 8 per share paid up and 8,000 Equity shares of ₹ 10 each fully paid up.

The debtors realized ₹ 42,000 and creditors were settled for ₹ 33,000

The partners agreed that the following should be on the basis of distribution on dissolution of the partnership:

1. A to take over one car at a valuation ₹ 8,000 and B to take over the other car at a valuation of ₹ 4,600.
2. B to be allotted preferences shares to the value of his loan, balance being allotted equally between the partners.
3. Equity shares to be allotted in proportion to fixed capital.
4. The balance to be setting in cash.

You are required to prepare:-

a) Realisation account
b) Cash account
c) Partners' capital and Current accounts, in columnar from the final statement between them, and
d) Statement showing distribution in shares.

Q.3) D,E and F carry on business in partnership sharing profits and losses in the proportion of 1/2, 3/8 and 1/8 respectively. On 31st March, 2017, they agreed to sell their business to a limited company. Their position on that date as follows:

particular	**₹**	**Particulars**	**₹**
D's Capital	40,000	Machinery	48,000
E's Capital	30,000	Furniture	42,000
F's Capital	26,000	Stock	23,000
Loan on Mortgage	16,000	Book Debts	15,000
Sundry Creditors	18,000	Cash	2,000
	1,30,000		1,30,000

The company took the following assets at the valuation shown below:

Machinery	61,000
Furniture	31,800
Stock	22,000
Book Debts	10,000

The company also agreed to pay the creditor which was agreed at **₹ 17,700**. The company paid **₹ 67,000** in fully paid shares of **₹ 10** each and the balance in cash. The expenses amounted to **₹ 1500.**

Prepare ledger accounts in the books of the firm

Q.4) G and H were partners and losses in the ratio 2:1. Their Balance sheet as on 31st March, 2017 showed the following financial position.

Liabilities	**₹**	**Assets**	**₹**
Capitals Account:		Freehold Premises	62,000
-G	50,000	Plant/ Machinery	18,000
-H	40,000	Stock	32,000
Currents a/c :		Book debts	41,000
-G	26,000	U.T.I Bank	45,000
-H	18,000		
Loan Account	40,000		
Accounts Payable	24,000		
	1,98,000		1,98,000

The partners wishing to dissolve the firm accepted the offer of D LTD. To acquire the stock and fixed assets at an inclusive price of ₹ 1, 40,000

The purchase consideration was to be satisfied by (a) a cash payment of ₹ 35,000 (b) allotment to the partners 6,000 6% Preference Share of ₹10 each, valued ₹8 per share (c) 57000 ordinary share of ₹ one each.

The book debts realized ₹ 38,000 and Accounts payable were settled by ₹ 22,000

The partners agreed that the following should be on the basis of distribution on dissolution of the partnership:

(a) G to be allotted Preferences shares in settlement of his loan, the remaining preferences share being allotted equally to them.
(b) The Ordinary shares to be allotted in the ratio of profit sharing.
(c) The balance to be paid in cash

You are required to prepare:-

e) Realisation account
f) Partners' capital and Current accounts separately
g) D LTD account
h) Cash account

Q.5: IJ Ltd. Was formed to acquire the business I and J who shares profits in the ration of 3:2 respectively.

The Balance sheet of A and B on 31st December, 2017 was as under

Liabilities	₹	Assets	₹
Capitals Account:		Land and Building	40,000
-I	64,000	Machinery	20,000
-J	40,000	Stock	24,000
Mrs A's Loan	3,200	Debtors	23,200
Bills Payable	7,200	Bills Receivable	6,400
Sundry Creditors	21,600	Investments	4,800
		Cash at Bank	9,600
		Goodwill	8,000
	1,36,000		1,36,000

It was agreed by the company to take over the assets at book value with the exception of land and building. Stock and building which are taken over at ₹45,000, ₹20,000 and ₹ 28,000 respectively. The investment were retained by the firm and sold for ₹ 4,000. The firm discharges the loan of Mrs. A. The company took over the remaining liabilities. The purchase consideration was discharged by issuing 10,000

Equity shares of ₹ 10 ach in IJ ltd. And the balance was paid in cash. Prepare the Ledger account of the firm assuming the shares are distributed amongst partners in their profit sharing ratio.

Q.6) K, L, and **M** are partners sharing profits and losses in the ratio 3:2:1 respectively. They decided to sell their business to a limited company on 1-1-2017. Their position were as a under:

Liabilities	**₹**	**Assets**		**₹**
Capitals Account:		Building		69,000
-K	39,750	Investments		5,400
-L	41,300	Stock	12,000	7,500
-M	3,000	Debtors	600	
General Reserve	3,000	Less :RDD		11,400
Mrs. K's Loan	4,500	Cash at Bank		26,000
Creditors	8,800	Cash in hand		550
Creditors for Expenses	6,000	M current A/c		6,900
Bills payable	22,200			
	1,26,750			1,26,750

The purchasing company agrees to take over only 'building' at ₹ 60,400 and to pay-off only Bills Payable. It agreed to issue 365 Equity shares @ ₹100 each as fully paid and balance in cash.

'L' acquired investments at ₹ 5,000 The firm sold away stock for ₹ 7490 and collected ₹ 10,000 from debtors(balance due from the debtors proved as bad debts). The firm paid of all the creditors and earned ₹ 800, as discount. The creditors for expenses were paid in full. The Realizations expenses amounted to ₹ 740

"K" agreed to pay-off of his wife's loan

Shares were distributed between 'K' and 'L' in the ratio of their final capital balances. M paid his dues to the firm in cash.

Show necessary ledger accounts in the books of the firm

Q.7) ''Heaven Ltd.''. was formed to acquire the business of N, O, P share profit and losses in the ratio of 2:1:1 respectively. The Balance sheet of the partnership firm as on 31st DECEMBER was as follows:

Liabilities	**₹**	**Assets**	**₹**

Capitals A/c:		Machinery	37,000
N	25,000	Stock	17,000
O	12,000	Motor Car	10,000
P	12,000	Debtors	19,000
Reserve fund	5,000	Investments	10,000
Creditors	24,000	cash	1,000
Bills payable	16,000		
	94,000		94,000

''HEAVEN Ltd.'' took machinery, stock, debtors at 10% less than the book value and agreed to pay ₹ 10,000 for Goodwill. it also agreed to pay the credit of book value. the Purchase consideration was satisfied in 400 shares of ₹ 100 each and the balance in cash.

N took over the motor car at ₹ 8,000. Investment were sold in the market for ₹ 9,000. The firm paid bills payable @ 10% discount. Realisation expenses amount to ₹ 2,300.

The fIrm sold the shares of ''HEAVEN Ltd.'' at ₹ 36000

Prepare:

(a) Realisation A/c
(b) capital A/cs of partners
(c)Ltd. Co .A/c
(d) cash A/c

Q.8 : The balance sheet of Q, R and S on 31st March 2017 was as under:

Liabilities		**₹**	**Assets**		**₹**
Creditors		17,000	Bank		6,200
Bills payable		1,200	Debtors	20,000	
Capitals A/c:			Less : Provision for B.D.	(1,000)	19,000
-Q	20,000		Stock		22,000
-R	20,000		Machinery		15,000
-S	10,000		Furniture		1,500
		50,000	Goodwill		4,500
		68,200			68,200

Decision was taken to sell the business of the fIrm to I Ltd. I Ltd. agreed to give 6000 fully paid shares of ₹ 10 each for purchase price. It accepted all the liabilities except bills payable and took over all the assets except bank balance. Partner share profit as 1/2:1/3: 1/6. Prepare accounts in the books of the firm.

Q.9 : Z Ltd. Was incorporated to take over the business of T and U whose balance sheet was as below:

Liabilities	**₹**	**Assets**	**₹**

Capital :			Land and Buildings	1,60,000
T	50,400		Plant and machinery	28,000
U	50,400	1,00,800	Furniture	20,000
Loans		1,20,000	Sundry debtors	84,000
Trade Creditors		71,200		
		2,92,200		2,92,000

The company takes over the business with fixed asset and loans on the terms

(i) The fixed assets should be depreciated at 10%

(ii) The value of goodwill is estimated at ₹ 80,000.

The Company Realised ₹ 80, 000 from sundry debtors as the Agent of the vendor in full settlement and discharge all the trade creditors by paying ₹ 68, 000 for a commission of 3% on the amount collected and 2% on the amount paid.

The Loan Creditors Accepted 10% preference shares of ₹ hundred each in discharge of the loans

After Realisation of the debts and discharge of the liabilities, the total amount due to the vendor was settled by payment of ₹ 5,440 in cash and the balance in shape of fully paid equity share of ₹ 10 each, to be divided between partners in their profit sharing ratio.

Show purchase consideration and pass journal entries in the books of the company after taking over the business of T & U.

Q.10 : The summarized balance sheet of a partnership from carried on by Ganga, Yamuna and Saraswati, who share profit and losses in proportion of 2 by 5 2 by 5, 1 by 5 respectively is given below**:-**

Particulars		₹	₹	₹	₹
Capital Account – (Fixed):					
- Ganga	… … … …		5,00,000		
- Yamuna	… … … …		3,00,000		
- Saraswati	… … … …		2,00,000	10,00,000	
Current Accounts:					
- Ganga	… … … …		50,000		
- Yamuna	… … … …		1,50,000		
- Saraswati	… … … …	(debit)	(45,000)	1,55,000	
- Loan from cauveri	… … … …			1,00,000	12,55,000
Fixed Assets:			8,00,000		
- Machinery	… … … …		2,00,000		
- Motor vehicles	… … … …			10,00,000	
Current Assets:					
- Stock	… … … …	2,80,000			
- Debtors	… … … …	6,00,000	8,95,000		
- Cash	… … … …	15,000			
Less : Current Liabilities :					
- Bank Overdraft	… … … …	2,40,000			
- Sundry Creditors	… … … …	4,00,000	6,40,000		
Net Current Assets	… … … …			2,55,000	12,55,000

All the partners desired to retire from business and agreed to accept an offer from MAHASAGAR Ltd. to acquired the Assets of their business of ₹ 13, 00, 000 with the exception of sundry debtors cash balance and one of the motor vehicles. The consideration was to be satisfied as under:-

(a) 3,000 11% preference share of ₹ hundred each at par (b) 60,000 equity share of ₹ 10 each valued@ ₹ 15 per share and (c) the balance in cash.
Following terms Were agreed among the partners.
   (i) Yamuna to take over the remaining motor vehicles written by the form of ₹ 1,40,000.
   (ii) The loans from cauveri to be taken over by Ganga.
   (iii) Equity share to be allotted in proportion of fixed capital.
   (iv) Preference share to be allotted in proportion of profit sharing ratio.

you are required to pass journal entries in the books of the firm and show Partners' Capital and current account in columnar form.