Seat No.

QP-7801

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OCT-NOV 2025 WINTER EXAMINATION

11809 Bachelor of Commerce (NEP 2.0)

Sub. Name: Accountancy Paper-I (Accounts of Partnership Firms)

Sub. Code: 113480

Day and Date: NOVEMBER ,08-11-2025 **Total Marks: 60**

Time: 02:30 PM To 04:30 PM

Instructions:

Special Inst.: 1. Question No. 1 is compulsory.
2. Attempt any three questions from Question No. 2 to Question No.6.
3. Use of Calculator is allowed.

Q1) A. Choose the correct alternatives from the following. **[10]**

i. When two or more firms carrying on similar or complementary businesses join together to form a new firm, it is called as ________ of partnership firms.
- A. Dissolution
- B. Amalgamation
- C. Admission
- D. Formation

ii. Raja, Rani and Pradhan are partners sharing profits and losses in the ration of 9:5:7. Loss on revaluation account is Rs. 8,400. The share of Pradhan in the loss will be ________.
- A. Rs. 2,800
- B. Rs. 3,600
- C. Rs. 2,000
- D. Rs. 4,200

iii. Reserves and balance of profit & loss account appearing in the balance sheet is distributed between all the partners in their ________.
- A. Capital ratio
- B. profit sharing ratio
- C. Operation ratio
- D. last agreed capital ratio.

iv. When a new company is formed to take over the running business of a partnership firm, it is called as ________.
- A. Internal reconstruction of partnership firms
- B. Amalgamation of partnership firms
- C. Conversion of partnership firms into limited co.
- D. Dissolution of partnership firm.

v. In Conversion of partnership firm into limited company, assets and liabilities are transferred to ______
- A. Realisation A/c
- B. Partners' Capital A/c
- C. New Company's
- D. New Firm A/c

vi. Purchase Consideration = Assets minus ---------
- A. Income
- B. Expenditure
- C. Liabilities
- D. None of the above

vii In Piecemeal distribution which is paid first -----
- A. Realization Expenses
- B. Preferential Creditors
- C. Partners Loan
- D. Partners Capital.

viii Manohar, Sachin and Mahesh are partners sharing profits and losses in the ratio of 2:2:1. Their capitals are Rs. 100,000, Rs. 1,50,000 and Rs. 80,000 Respectively. Then which partner's capital can be taken as base?
- A. Manohar's Capital
- B. Sachin's Capital
- C. Mahesh's Capital
- D. any one of the above partner's Capital

ix. On the death of a partner or on maturity, the balance of Joint Life Policy Reserve A/c will be transferred to ________ A/c
- A. Joint Life Policy
- B. Profit & Loss
- C. Partners' Capital
- D. Bank

x. The insurance Company pays the amount of the Joint Life Policy on the ________.
- A. Maturity of the policy
- B. Death of a partner
- C. Maturity of the policy or the death of a partner, whichever is earlier
- D. Maturity of the policy or the death of a partner, whichever is later

B. State True or False. **[5]**

1. Partnership firms are amalgamated to avoid the competition between the firms.
2. Profit or Loss on revaluation is distributed among the partners in capital ratio.
3. In case of conversion of partnership firm into limited company, partners became the directors of company.

4. In piecemeal distribution, while making payment, the government dues paid before realization expenses.
5. In Joint Life Policy Reserve A/c Method, amount equal to surrender value is kept as balance on Joint Life Policy A/c and the difference between premiums paid and surrender value is transferred to Joint Life Policy Reserve A/c.

Q2) Write Short Notes. (Any Three Out of Five) **[15]**

1. Need and Objectives of Amalgamation.
2. Methods of Purchase Consideration.
3. Surplus Capital Method of Piecemeal Distribution.
4. Order of payment in piecemeal distribution.
5. Joint Life Policy.

Q3) The following are the Balance Sheets of M/S Akram & Baburao and M/s Chintamani & Damodar as on 31st March, 2025 on which date they decided to amalgamate their business. **[15]**

Liabilities	Akram & Baburao	Chintamani & Damodar	Assets	Akram & Baburao	Chintamani & Damodar
Capitals :			Land & Building	45,000	30,000
Akram	90,000		Plant	36,000	24,000
Baburao	60,000		Furniture	15,000	9,000
Chintamani	——	60,000	Stock	69,000	45,000
Damodar	——	30,000	Debtors	75,000	30,000
Reserve Fund	30,000	-	Cash	15,000	12,000
Trade Creditors	75,000	60,000			
	2,55,000	1,50,000		2,55,000	1,50,000

Akram and Baburao were sharing profit & losses in the ratio of 7:3 while Chintamani and Damodar sharing profits and losses equally. On the next day they decided to amalgamate the firms and formed new firm M/s Azad Traders. The terms of amalgamation were as under:

a) The new firm was to take over all the assets and liabilities of both the firms.

b) **The assets of M/s Akram and Baburao were valued as under:**
Land & Building Rs. 75,000, Plant Rs. 30,000, Furniture Rs. 9,000 Stock Rs. 60,000 and Debtors at book value and Goodwill Rs. 30,000

c) **The assets of M/s Chintamani and Damodar were valued as under:**
Land & Building Rs. 36,000, Plant Rs. 15,000 Furniture and Debtors at book value, Stock at Rs. 30,000 and Goodwill Rs. 6,000

d) The new profit sharing ratio of Akram, Baburao, chintamani and Damodar was agreed at 4:3:2:1.

You are required to

a. **Prepare necessary ledger accounts to close the books of old firm.**

b. **Prepare the amalgamated balance sheet in the books of new firm.**

Q4) Saniya Ltd was to purchase of M/s Pangam & Vishwjeet. Pangam and Vishwajeet were partners sharing profits and losses as 2:1. Following was the Balance Sheet as on 31/03/2025 **[15]**

Balance sheet as on 31-3-2025

Liabilities	Amount	Assets	Amount
Capital Accounts		Goodwill	10,000
Pangam	65,000	Land & Building	45,000
Vishwajeet	45,000	Machinery	25,000
Loan A/c	6,000	Stock	20,000
Bills payable	7,500	Debtors	22,000
Creditors	16,000	Bills receivable	8,500
		Investments	6,500
		Cash at Bank	2,500
	1,39,500		1,39,500

The company took over all assets at book values except Land and building and stock which were taken over at Rs. 50,000 and Rs. 15,000 respectively. The investments are sold by the firm for Rs. 6,000. The firm also discharged the loan A/c. The company took over remaining liabilities. The value of goodwill fixed at Rs. 25,000. The purchase price was paid by the company in the form of 10,000 shares of Rs. 10 each and balance in cash. Realization expenses Rs. 1000.

Prepare necessary ledger accounts in the books of firm also show the calculation of Purchase Consideration.

Q5) Manmohan, Nagesh and Omkar are partners sharing profits and losses in the proportion 3:2:1 respectively. Their partnership was dissolved on 31st March, 2025, on which date their Balance Sheet was as under: **[15]**

Balance sheet as on 31/03/2025

Liabilities	Rs.	Assets	Rs.
Manmohan's Capital	1,50,000	Cash	32,000
Nagesh's Capital	90,000	Debtors	3,36,000
Omkar's Capital	16,000	Stock	1,28,000
Loan:			
Manmohan	48,000		
Nagesh	32,000		
Creditors	1,60,000		
Total	4,96,000	Total	4,96,000

It was agreed that cash should be immediately utilized and thereafter, the net realisation should be distributed in their due order at the end of each month by following Surplus Capital Method.

The net realisations were as under:

April Rs. 88,000; May Rs. 84,000; June Rs. 1,28,000; July Rs. 84,800; August Rs. 38,000

Prepare Statement of Distribution by using Surplus capital method.

Q6) Pintu, Hasan and Abhijeet were partners sharing profit and losses as to 5:4: 1. They took a Joint Life Policy of Rs. 10,00,000 and paid first annual premium of Rs. 50,000 on 1st June 2021. The Surrender values of the policy as on 31st March every year were as follows. **[15]**

2021-22	NIL	2024-25	15,000
2022-23	5,000		
2023-24	10,000		

on 15th January 2025 Abhijeet died and the policy amount plus bonus of Rs. 50,000 received from insurance company on 20th January 2025.

You are required to prepare Joint Life Policy Account and Joint Life Policy Reserve Account in the books of firm.