D.A.V. BR PUBLIC SCHOOL, BINA
HALF YEARLY EXAMINATION SESSION 2024-25
PRACTICE PAPER

Class-XII **Subject-ACCOUNTANCY**

Time Allowed: 3 Hrs. **MM: 80**

General Instruction:

1. This question paper contains 34 questions. All questions are compulsory.

2. Question 1 to 20 carries 1 mark each.

3. Questions 21 to 26 carries 3 marks each.

4. Questions from 27 to 39 carries 4 marks each

5. Questions from 29 to 34 carries 6 marks each

6. There is no overall choice. However, an internal choice has been provided in 2 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

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1. Navya and Radhey were partners sharing profits and losses in the ratio of 3:1. Shreya was admitted for 1/5th share in the profits. Shreya was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below: **1**

DATE	PARTICULARS	L.F.	AMOUNT (₹)	AMOUNT (₹)
	Shreya's Current A/c. Dr. To Navya's Capital A/c. To Radhey's Capital A/c (Being entry for goodwill treatment passed)		24,000	 8,000 16,000

The new profit-sharing ratio of Navya, Radhey and Shreya will be:

a) 41: 7: 1 b) 13:12: 10 c) 3:1: 1 d) 5:3: 2

2. Assertion (A):-Commission provided to partner is shown in Profit and Loss A/c. Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate. **1**

a) (A) is correct but (R) is wrong

b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)

c) Both (A) and (R) are incorrect.

d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)

3. In the balance sheet of reconstituted firm, the assets and liabilities are recorded at: **1**

a) Historical cost b) Current cost c) Realisable value d) Revalued figures

4. Samiksha, Arshiya and Divya were partners in a firm sharing profits and losses in the ratio of 5: 3: 2. With effect from 1st April 2024, they agreed to share future profits and losses in the ratio of 2: 5: 3. Their Balance Sheet showed a debit balance of ₹ 50,000 in the Profit and Loss Account and a balance of ₹ 40,000 in the Investment Fluctuation Fund. The market value of an investment is ₹30,000 against the book value of ₹50,000. Partners have decided, not to show revised valued in the balance sheet and to pass an adjusting entry for it. **1**

Which of the following is the correct treatment of the above?

DATE	PARTICULARS	L.F.	AMOUNT (₹)	AMOUNT (₹)
a)	Samiksha's Capital A/c. Dr. To Arshiya's Capital A/c. To Divya's Capital A/c		9,000	 6,000 3,000
b)	Arshiya's Capital A/c. Dr. To Samiksha's Capital A/c. To Divya's Capital A/c.		5,000	 2,000 3,000
c)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c		2,000 1,000	 3,000
d)	Arshiya's Capital A/c. Dr. Divya's Capital A/c. Dr. To Samiksha's Capital A/c		6,000 3,000	 9,000

5. Sohan and Mohan are partners sharing profits and losses in the ratio of 2:3 with the capitals of ₹ 5,00,000 and ₹ 6,00,000 respectively. On 1st January 2024, Sohan and Mohan granted loans of ₹ 20,000 and ₹ 10,000 respectively to the firm. Determine the amount of loss to be borne by each partner for the year ended 31st March 2024 if the loss before interest for the year amounted to ₹ 2,500. **1**

a) Share of Loss Sohan –₹ 1,250 Mohan – ₹ 1,250
b) Share of Loss Sohan –₹ 1,000 Mohan – ₹ 1,500
c) Share of Loss Sohan –₹ 820 Mohan – ₹ 1,230
d) Share of Loss Sohan –₹ 1,180 Mohan – ₹ 1,770

6. **State the true statement out of the following**: **1**

a) Goodwill at the time of retirement of a partner is credited to continuing Partners' Capital Accounts in their sacrificing ratio.
b) Goodwill at the time of retirement of a partner is credited to continuing Partners' Capital Accounts in their gaining ratio.
c) Goodwill at the time of retirement of a partner is debited to continuing Partners' Capital Accounts in their sacrificing ratio.
d) Goodwill at the time of retirement of a partner to the extent of retiring partner's share is debited to continuing Partners' Capital Accounts in their gaining ratio.

7. Arti Ltd, issued a prospectus inviting applications for 1,20,000 shares of ₹10 each payable ₹3 on application, ₹ 5 on allotment and balance on call. Public had applied for certain number of shares and application money was received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines? **1**

a) ₹ 3,60,000 b) ₹ 4,50,000
c) ₹ 3,00,000 d) ₹ 3,20,400

8. Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. **1**
There existed a general reserve of ₹ 7,500 in the balance sheet on that date.
The goodwill of the firm was valued at ₹ 30,000.
Gain on revaluation was ₹24,000.
a) ₹ 88,500 b) ₹ 90,500 c) ₹ 65,375 d) ₹ 70,500

9. Raman, Tapan and Naman are partners in a firm with profit sharing ratio 3 : 2 : 1 respectively. The extract of their Balance Sheet is as follows **1**

Liabilities	Amount (₹)	Assets	Amount (₹)
Workmen Compensation Reserve	50,000		

At the time of retirement of Naman, if liability for workmen compensation to the extent of ₹ 24,000 is to be created, then revaluation account will be debited by?
(a) ₹ 50,000 (b) ₹ 24,000 (c) ₹ 26,000 (d) Nil

Read the following hypothetical situation, Answer Question No.10 and 11
Puneet and Raju are partners in a clay toys making firm. Their capitals were ₹ 5,00,000 and ₹ 10,00,000 respectively. The firm allowed Puneet to get a commission of 10% on the net profit before charging any commission and Raju to get a commission of 10% on the net profit after charging all commission. Following is the Profit and Loss Appropriation Account for the year ended 31st March 2024.

PARTICULARS	**AMOUNT (₹)**	**PARTICULARS**	**AMOUNT (₹)**
To Puneet's Capital A/c (Commission) (------ x10/100)	44,000	By Profit and Loss a/c	-----------
To Raju's Capital A/c (Commission)	-----------		
To Profit share transferred to :- Puneet's Capital A/c	-----------		
Raju's Capital A/c	-----------		
	-----------		-----------

10. Raju's commission will be:- **1**
a) ₹ 40,000 b) ₹ 44,000 c) ₹ 36,000 d) ₹ 36,440

11. Puneet's share of profit will be :- **1**
a) ₹ 1,80,000 b) ₹ 1,44,000 c) ₹ 2,16,000 d) ₹ 1,60,000

12. Choose the correct sequence of the following transactions in context of Division of Profits. **1**

(i) Guarantee by Firm to Partners
(ii) Guarantee by Partners to Firm
(iii)Transfer of Profits to Profit and Loss Appropriation Account
(iv)Guarantee by Partner to Partner

a) (i); (iii) ; (iv) ; (ii) b) (iii); (i) ; (ii) ; (iv)
c) (iii) ; (ii) ; (i); (iv) d) (ii); (iii); (iv); (i)

13. If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹ 3 per share and only 7,000 shares were re-issued @ ₹ 11 per share as fully paid up, then what is the amount of maximum possible discount that company can allow at the time of re-issue of the remaining 3,000 shares? **1**

a) ₹ 28,000 b) ₹ 21,000
c) ₹ 9,000 d) ₹ 16,000

14. Ganga and Jamuna are partners sharing profits in the ratio of 2:1. They admit Saraswati for 1/5th share in future profits. On the date of admission, Ganga's capital was ₹ 1,02,000 and Jamuna's capital was ₹ 73,000. Saraswati brings ₹ 25,000 as her share of goodwill and she agrees to contribute proportionate capital of the new firm. How much capital will be brought by Saraswati? **1**

a) ₹ 43,750 b) ₹ 37,500 c) ₹ 50,000 d) ₹ 40,000

15. Green and Orange are partners. Green draws a fixed amount at the beginning of every month. Interest on drawings is charged @8% p.a. At the end of the year interest on Green's drawings amounts to ₹ 2,600. Monthly drawings of Green were: **1**

a) ₹ 8,000 b) ₹ 60,000 c) ₹ 7,000 d) ₹ 5,000

16. On 1st April, 2024, the capital of the firm of Ashu and Madhav is ₹ 1,50,000. The normal rate of return on capital employed is 10%. Average profits of the firm are ₹ 23,500.Goodwill of the firm based on three years purchase of super profits will be- **1**

a) ₹ 8,500 b) ₹ 15,000 c) ₹ 23,500 d) ₹ 25,500

17. Amount of Calls in Arrears will be deducted from ________ under share capital. **1**

a) Subscribe but not fully paid-up
b) Subscribed but fully paid-up capital
c) Paid-up Capital
d) Issued Capital

18. Premium on issue of shares cannot be used for: **1**

a) Writing off discount/loss on Issue of debentures.
b) Issue of fully paid bonus shares.
c) Writing off loss on reissue of shares
d) Writing off preliminary expenses

OR

If vendors are issued fully paid shares of ₹ 1,00,000 in consideration of net assets of ₹ 1,20,000 the balance
of ₹ 20,000 will be_______.
(a) credited to Vendor's Account
(b) credited to Goodwill Account
(c) credited to Profit and Loss Account
(d) credited to Capital Reserve Account

19. As per Section 37 of the Indian Partnership Act, 1932, interest @ ----------- is payable to the retiring partner if full or part of his dues remain unpaid. **1**

a) 9% p.a. b) 12% p.a. c) 6% p.a. d) 4%p.a.

20. Assertion (A) :- A Company is Registered with an authorised Capital of 5,00,000 Equity Shares of ₹10 each of which 2,00,000 Equity shares were issued and subscribed. All the money had been called up except ₹2 per share which was declared as 'Reserve Capital'. The Share Capital reflected in balance sheet as 'Subscribed and Fully paid up' will be Zero. **1**

Reason (R) :- Reserve Capital can be called up only at the time of winding up of the company.

(a) Both Assertion (A) and Reason (R) are Correct and Reason (R) is the correct explanation of Assertion (A)

(b) Both Assertion (A) and Reason (R) are Correct, but Reason (R) is not the correct explanation of Assertion (A)

(c) Assertion (A) is incorrect, but Reason (R) is Correct.

(d) Assertion (A) is correct, but Reason (R) is incorrect

21. Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Sara died on 1st February, 2024. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2023 was ₹ 10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%. **3**

Journalise the transaction along with the working notes.

OR

Archana, Bindu and Charu were partners sharing profits in the ratio of 3:2:1. Their Balance Sheet as on 1st April 2023 was:

PARTICULARS	AMOUNT ₹	PARTICULARS	AMOUNT ₹
Capital		Cash at Bank	20,000
Archana 1,00,000 Bindu 70,000 Charu 70,000	2,40,000	Debtors	18,000
General Reserve	30,000	Stock	60,000
Creditors	20,000	Land & Building	1,40,000
		Furniture	52,000
	2,90,000		**2,90,000**

Bindu Died on the 1st July 2023 and the executors were paid in the following manner:

a) Bindu's Share of Goodwill was Rs. 6,000;

b) Interest on Bindu's capital @ 5% p.a.

c) Bindu' s share in profit till the date of her death on the basis of previous years profit, which amounted to ₹ 20,000.

Following were the adjustments to be made to assets on the date of Bindu's death:

a) A provision for doubtful debts@ 5% was to be made on debtors;

b) Land & Building were to be depreciated by 5% and Stock was valued at Rs.61900.

Prepare Bindu's capital account and determine the amount payable to Bindu's Executor.

22. Amay, Anmol and Rohan entered into partnership on 1st July, 2023 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31st March, 2024 was ₹1,38,000. **3**

Prepare Profit and Loss Appropriation A/c.

Or

Samay and Dev are partners in a firm sharing profit and loss equally. On 1st April, 2023, the capital of the partners were ₹ 4,00,000 and ₹ 3,00,000 respectively. The profit and loss appropriation account of the firm showed a net profit of ₹ 7,74,000 for the year ended 31st March, 2024. The terms of partnership deed provided the following

(i) Transfer 10% of distributable profits to reserve fund.

(ii) Interest on capitals @ 6% per annum.

(iii) Interest on drawings @ 6% per annum. Drawings being Samay ₹ 80,000 and Dev ₹ 60,000.

(iv) Samay is entitled to a rent of ₹ 2,000 per month for the use of premises by the firm. It is paid to him by cheque at the end of every month.

Prepare profit and loss appropriation, account for the year ended 31st March, 2024

23. Doremon, Shinchan and Nobita are partners sharing profits and losses in the ratio of 3:2:1. Their Capitals balances as on 31 March 2024 was ₹3,00,000 ; ₹ 2,00,000 and ₹1,00,000 respectively. With effect from 1st April, 2024 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: **3**

Year ending on 31st March,2021 ₹ 50,000 (Profit)
Year ending on 31st March,2022 ₹ 1,20,000 (Profit)
Year ending on 31st March,2023 ₹ 1,80,000 (Profit)
Year ending on 31st March,2024 ₹ 70,000 (Loss)

On 1st April, 2023 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. The normal return in their business is expected to be @ 20%.
Calculate the value of Goodwill.

24. A and B are partners in a firm sharing profits in the ratio of 3 : 2. C is admitted into the firm for 1/4th share in profits. The total capital of the firm is agreed upon as ₹ 2,00,000 and C is to bring in cash equivalent to his share as his capital. The capitals of other partners are also to be adjusted in the ratio of their respective share in profits. The capitals of A and B after all adjustments are ₹ 60,000 and ₹ 45,000 respectively. Calculate the new capitals of A and B and pass necessary journal entries. **3**

25 U and V are partners sharing profits in the ratio of 2:1. They decided to admit W in partnership and decided to share profits in the ratio 5:3:2 in future. On that date the profit and loss account showed the credit balance of ₹ 90,000. Instead of closing the profit and loss account, it was decided to record an adjustment entry reflecting the change in profit sharing ratio They also decide to record the effect of the following revaluations and reassessments without affecting the book values of assets and liabilities by passing a single adjustment entry: **3**

	Book Value (₹)	Revised Value (₹)
Land and Building	2,50,000	3,00,000
Furniture	2,00,000	1,75,000
Sundry Creditors	90,000	75,000
Outstanding Salaries	15,000	25,000

Record the single adjustment entry on revaluations and reassessments without affecting the book values of assets and liabilities.

26 Romi Ltd. acquired assets of ₹20 lakhs and took over creditors of ₹2 lakhs from Kapil Enterprises. Romi Ltd. issued 8% Preference Shares of ₹100 each at a premium of 25% as purchase consideration. It also issued 20,000 Equity shares of ₹ 10 each to the promoters. Record necessary Journal entries in the books of Romi Ltd. **3**

27 A Pass entries for forfeiture and re-issue in both the following cases. **4**

(a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid.

OR

27B Altaur Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. **4**

All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.

28 Vihaan and Mann are partners sharing profits and losses in the ratio of 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March 2024 is ₹ 4,00,000 and ₹ 4,65,000 for Vihaan and Mann respectively. Drawings during the year were ₹ 65,000 each. **4**

Calculate the opening capital of Vihaan given that the net profits during the year 2023-24 was ₹ 2,25,000. As per the partnership Deed,

(i) Partners were to be provided with Interest on capital @ 10% p.a. allowed to them.

(ii) Vihaan was entitled to a monthly salary of ₹ 1,500.

(iii) Mann was entitled to a salary of ₹ 4,000 per annum. The profit for the year ended 31st March, 2024, was₹ 2,25,000 was divided between the partners in their profit sharing ratio of 2:3 without providing for the above adjustments. Pass the necessary adjustment entry to rectify the above omissions in the books of the firm

29 Hari, Kunal and Uma are partners in a firm sharing profits and losses in the ratio of 5:3: 2. From 1st April, 2018 they decided to share future profits and losses in the ratio of 2:5: 3. Their Balance Sheet showed a balance of 75,000 in the Profit and Loss Account and a balance of 15,000 in Investment Fluctuation Fund. For this purpose, it was agreed that: **4**

(i) Goodwill of the firm was valued at 3,00,000.

(ii) That investments (having a book value of 50,000) were valued at ₹35,000.

(iii) That stock having a book value of 50,000 be depreciated by 10%.

Pass the necessary journal entries for the above in the books of the firm.

30 A Golden Jute Ltd. made an issue of 10,000 shares of ₹ 10 each payable ₹3 on Application, ₹3 on Allotment, ₹2 on First Call and ₹ 2 on Second Call, All the amounts were received, except the following: A Who holds 100 shares has paid Application, Allotment and First Call. Y Who holds 200 shares has paid Application and Allotment. Z Who holds 300 shares has paid only Application money. The Company forfeited the shares of defaulting shareholders and reissued 200 of the above shares at a discount of 2%, credited as fully paid.

Prepare Cash Book and Forfeited Shares A/c.

OR

30 B X Ltd. issued for Public subscription 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share payable as under: On Application ₹ 5 On Allotment ₹ 7 (including premium ₹ 5) On First & Final Call ₹ 3 Applications were received for 1,50,000 shares. Allotment was made pro-rata to all the applicants and the money overpaid on application was utilised towards sums due on allotment. **6**

Suruchi, who applied for 1,800 shares failed to pay the allotment and call money and the shares were subsequently forfeited. Two-third of the forfeited shares were re-issued to Supriya as fully paid up at ₹ 8 per share. Show the journal entries to record the above transactions.

31 DK, EK and FK were partners in a firm sharing profits in the ratio of 5:7:8. Their fixed capitals were ; DK ₹.10,00,000; EK ₹14,00,000 and FK ₹16,00,000. Their Partnership deed provided for the following: **6**

(i) Interest on capital @ 10% per annum and Interest on drawings @12% per annum.

(ii) Salary of ₹20,000 per month to FK.

DK Withdrew ₹80,000 on 1stOctober, 2024; EK withdrew ₹10,000 on first day of each quarter and FK withdrew ₹6,000 on last day of every month. During the year ended 31st March, 2024, the firm earned a profit of ₹.7,00,000.

Pass necessary journal entries for the above transactions to .

32 A Bhumi and Chavi were partners in a firm sharing profits and losses in the ratio of 5 : 3. They admitted Aditi in the firm on 1st April, 2023. On that date their Balance Sheet was as follows :

Balance Sheet

PARTICULARS	AMOUNT ₹	PARTICULARS	AMOUNT ₹
Capital		Machinery	3,80,000
Bhumi 3,20,000		Furniture	50,000
Chavi 3,40,000	6,60,000	Debtor	2,30,000
General Reserve	80,000	Stock	1,50,000
Bank Loan	60,000	Cash	50,000
Creditors	60,000		
	8,60,000		**8,60,000**

Aditi was admitted in the firm with 1/3rd share in profits on the following terms :

(i) Aditi will bring ₹ 3,00,000 as her capital.

(ii) Aditi will bring her share of goodwill premium in cash. Goodwill of the firm was valued on the basis of two years purchase of average profits of the last three years. Average profits of the last three years were ₹ 60,000.

(iii) Machinery was revalued at ₹ 4,60,000.

(iv) The capitals of Bhumi and Chavi were adjusted on the basis of Aditi's Capital by opening current accounts.

Prepare Revaluation Account and Partners Capital account.

OR

32 B **6**

On 31st March, 2024 the Balance Sheet of partners Vividh and Vinay, who were sharing profits in the ratio of 3 : 2 was as follows :

Balance Sheet of A and B as at 31st March, 2024

PARTICULARS	AMOUNT ₹	PARTICULARS	AMOUNT ₹
Capital		Cash at Bank	20,000
Vividh 1,60,000 Vinay 1,40,000	3,00,000	Debtors 85,000 Less: Provision 5,000	80,000
General Reserve	25,000	Stock	1,30,000
Investment Fluctuation Reserve	12,000	Investment	60,000
		Furniture	77,000
Creditors	30,000		
	3,67,000		**3,67,000**

On that date, they admitted Vayu into partnership for 1/4th share in the profits on the following terms:

i. Vayu brings capital proportionate to his share. He brings Rs.14,000 in cash as his share of goodwill.
ii. All debtors are good.
iii. Depreciate stock by 5% and Furniture by 10%.
iv. An outstanding bill for repairs Rs.2,000 will be brought in the books.
v. Half of the investments were to be taken over by Vividh and Vinay in their profit sharing ratio at 20% above book value.
vi. Creditors were paid off in full.

(vii) Partners have decided to share future profits in the ratio 3:3:2

Prepare necessary accounts at the time of admission of Vayu.

33 A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2023. Entry for treatment of goodwill after his death was passed as follows:-

DATE	PARTICULARS	L.F.	AMOUNT (₹)	AMOUNT (₹)
	B's Capital A/c Dr. C's Capital A/c Dr. To A's Capital A/c (Entry for goodwill treatment passed at the time of death of partner)		1,80,000 1,20,000	 3,00,000

A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 31st March, 2024, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.

Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.

34 Vinod, Mohan and Sohan are partners in a firm sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as at 31st March, 2024 is as under: **6**

Liabilities	Amount	Assets	Amount
Capitals :			
Vinod	40,000	Cash in hand	18,000
Mohan	40,000	Debtors 25,000	
Sohan	12,000	Less : Provision 3,000	22,000
Creditors	30,000	Stock	18,000
Bills Payable	16,000	Furniture	30,000
General Reserves	12,000	Machinery	70,000
		Goodwill	10,000
	1,68,000		1,68,000

Mohan retired on 31st March, 2024 on the following terms:

(i) Provision for doubtful debts will be raised by Rs.1,000.

(ii) Stock will be depreciated by 10% and Furniture by 5%.

(iii) There is an outstanding claim for damages of Rs.1,100 and it is to be provided for in the books.

(iv) Creditors will be written back by Rs.6,000.

(v) Goodwill of the firm is valued at Rs.22,000, which is not to be shown in the books of new firm.

(vi) Mohan is paid in full with the cash brought in by Vinod and Sohan in such a manner that their capitals are in proportion to their profit sharing ratio of 3:2.

Prepare Revaluation Account, Partners Capital Account and B/S of new firm.

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