VSA
A Real English Medium School

Little Steps
Pre Primary wing of VSA

# VIDYA SHREE ACADEMY
## SR. SEC. SCHOOL
An English Medium Co.Ed. School | Science & Commerce

W : www.vsajaipur.com | E : vsajaipur@gmail.com M. : +91 9460356652, 8058999828
Add. : 84, Krishna Vihar, Behind Narayan Niwas, Gopalpura Bypass, Jaipur - 302015
/vsajaipur | /vsajaipur | /vidyashreeacademy | /vsa_jaipur

**Subject- Accounts** **Class- 12** **Topic- past adjustment**

- 

**B ₹ 24,000; C ₹ 12,000; Current A/c Balance A ₹ 46,650; B ₹ 27,850; C ₹ 14,450]** ...Profit A ₹ 36,000;

**19.** *X*, *Y* and *Z* are partners in a firm sharing profit & loss in the ratio of 2 : 2 : 1. On 31st March, 2016 after according Drawings and distribution of profits ₹ 30,000 their capitals were ₹ 60,000, ₹ 45,000 and ₹ 30,000 respectively. After this it was found that 5% Interest on capital and Interest on Drawings was omitted to be recorded. Drawing were as follows *X*- ₹ 6,000, *Y*- ₹ 4,500 and *Z*- ₹ 3,600. Interest on which is to be charged ₹ 120, ₹ 90 and ₹ 45 days respectively. Pas necessary Journal entries for the above omission and prepare adjusted partners capital accounts.

**[Ans. Opening Capital X ₹ 54,000; Y ₹ 37,500 and Z ₹ 27,000; Loss X ₹ 2,280; Y ₹ 2,280; Z ₹ 1,140 Capital Balance X ₹ 60,300; Y ₹ 44,505; Z ₹ 30,195]**



**20.** Satish, Nitin and Ajay are partners with a fixed capital ₹ 1,00,000, ₹ 75,000 and ₹ 75,000 respectively. Their current account balances were Satish ₹ 5,000 (Cr.), Nitin ₹ 4,000 (Cr.) and Ajay ₹ 2,500 (Dr.). The partnership deed provided as under :
**(i)** Interest on capital @ 5% p.a. **(ii)** Nitin was entitled for rent @ ₹ 500 p.m. for providing his premises to the firm. **(iii)** Ajay was entitled to a salary of ₹ 1,000 p.m.. The profits of the firm were to be distributed as follows :
**(a)** The first ₹ 20,000 in preparation to their capitals. **(b)** Next ₹ 20,000 in the ratio 2 : 2 : 1. **(c)** Remaining profits to be shared equally. The net profit before the above adjustment for the year was ₹ 85,500. Prepare Profit & Loss Appropriation Account, Capital Account and Current Accounts of the partners.

**[Ans : Profit before P & L Appropriation ₹ 79,500; Profit Satish ₹ 21,000; Nitin ₹ 19,000; Ajay ₹ 15,000; Current Account Balance Satish ₹ 31,000; Nitin ₹ 32,750; Ajay ₹ 28,250]**

**21.** *A*, *B* and *C* are equal partners in a firm. Their capitals on 1st January, 2016 were ₹ 50,000, ₹ 40,000 and ₹ 30,000 respectively. After closing the accounts of the year 2016, it was found that according to the partnership agreement interest at 10% per annum on partners capitals, a salary of ₹ 3,000 per year to *A* and a commission of ₹ 6,000 to *C* were not provided before distribution of profits. It was agreed among the partners to make the adjustment entry at the beginning of the next year rather than to alter the Balance Sheet. Pass Journal entry in the books of the firm showing the working of Adjustments assuming that capitals are fixed.

**[Ans : 'B' Dr. ₹ 3,000; 'A' Cr. ₹ 1,000; 'C' Cr. ₹ 2,000]**

**22.** Steve, Stephen and Michel are equal partners in a firm. Their Capitals were ₹ 60,000, ₹ 50,000 and ₹ 40,000 respectively at the end of a year. Net profit of ₹ 48,000 for the year had been credited in their profit sharing ratio. Their drawings ₹ 10,000, ₹ 8,000 and ₹ 6,000 respectively had been debited to their capital accounts. Later, it was discovered that following adjustments could not be entered in accounts and it was decided to enter them into accounts :
*(i)* Interest on Capital at 10% per annum.
*(ii)* Interest on Drawings : Steve ₹ 500, Stephen ₹ 400, and Michel ₹ 300.
Prepare necessary accounts and pass adjustment entries to rectify the above.

**[Ans : Steve ₹ 1,100 (Cr.); Michel ₹ 1,100 (Dr.)]**