CLASS TEST (CH 3 RETIREMENT AND DEATH)

TIME 30 MNT **FULL MARKS 15**

1. X, Y and Z are partners sharing profits in the ratio of 2 : 3 : 5. Goodwill already appearing in their books at a value of ₹60,000. X retires and Yand decided to share future profits equally. Journal entry w ill be :
   (A) F s Capital A/c To A’s Capital A/c Dr. 12,000 12,000
   (B) Fs Capital A/c To/Fs Capital A/c Dr. 60,000 60,000
   (C) Xs Capital A/c Dr. 2,400 Fs Capital A/c Dr. 3,600 Z’s Capital A/c To Goodwill A/c Dr. 6,000 12,000
   (D) Xs Capital A/c Dr. 12,000 Fs Capital A/c Dr. 18,000 Z’s Capital A/c Dr. 30,000
2. A, B and C were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The capital balance are ₹50,000 for A, ₹70,000 for B, ₹35,000 for C. B decided to retire from the firm and balance in. reserve on the date was ₹25,000. If goodwill of the firm was valued at ₹30,000 and profit on revaluation was ₹7,500 then, what amount will be payable to B.
   (A) ₹70,820
   (B) ₹76,000
   (C) ₹75,000
   (D) ₹95,000
3. P, Q and R are sharing profits and losses equally. R retires and the goodwill is appearing in the books at ₹30,000. Goodwill of the firm is valued at . ₹1,50,000. Calculate the net amount to be credited to R’s Capital A/c.
   (A) ₹60,000
   (B) ₹50,000
   (C) ₹40,000
   (D) ₹10,000
4. P, Q and R share profits in the ratio of 5:4:3.// retires and the new ratio is 5 : 3. If R is given 6,000 as goodwill, journal entry will be :
   (A) P’s Capital A/c Dr. 1,000 Q’s Capital A/c Dr. 5,000 To R’s Capital A/c 6,000
   (B) P’s Capital A/c Dr. 5,000 Q’s Capital A/c Dr. 1,000 To R’s Capital A/c 6,000
   (C) P’s Capital A/c Dr. 3,750 Q’s Capital A/c Dr. 2,250 To R’s Capital A/c 6,000
   (D) P’s Capital A/c Dr. 3,333 Q’s Capital A/c Dr. 2,667 To R’s Capital A/c 6,000
5. A, B and C were partners sharing profits and losses in the ratio of 2 : 2 : 1. Books are closed on 31st March every year. C dies on 5th November, 2018. Under the partnership

deed, the executors of the deceased partner are entitled to his share of profit to the date of death, calculated on the basis of last year's profit. Profit for the year ended 31st March, 2018 was ₹2,40,000. C's share of profit will be :

(A) ₹28,000

(B) ₹32,000

(C) ₹28,800

(D) ₹48,000

6. A, B and C are partners in a firm sharing profit/loss in the ratio of 2 : 2 : 1. On March 31, 2019, C died. Accounts are closed on Dec., 31 every year. The sales for the year 2018 was ₹6,00,000 and the profits were 60,000. The sales for the period from Jan. 1, 2019 to March 31, 2019 were ?2,00,000. The share of deceased partner in the current year's profits on the basis of sales is :

   (A) ₹20,000

   (B) ₹8,000

   (C) ₹3,000

   (D) ₹4,000

7. P, Q and R were partners sharing profits in the ratio of their Capital ' contribution which were ₹6,00,000; ₹4,00,000 and ₹5,00,000 respectively. Their books are closed on 31st March every year. P dies on 24th August, 2018. Under the partnership deed, deceased partner is entitled to his share of profit/loss to the date of death based on the average profits of preceding three years. Profits were 2015 ₹50,000; 2016 ₹1,20,000 (Loss); 2017 ₹30,000 and 2018 ₹60,000. P's share of profit/loss will be :

   (A) ₹3,200

   (B) ₹6,400

   (C) ₹12,000

   (D) ₹4,800

8. A, B and C are partners sharing profits in the ratio of 3 : 4 : 5. B retires and the goodwill of the firm is valued at ₹42,000. A and C decide to share profits in the ratio of 3 : 4. Journal entry will be :

   (A) A's Capital A/c Dr. 6,000 C's Capital A/c Dr. 8,000 To B's Capital A/c 14,000

   (B) A's Capital A/c Dr. 7,500 C's Capital A/c Dr. 6,500 To B's Capital A/c 14,000

   (C) A's Capital A/c Dr. 22,500 C's Capital A/c Dr. 19,500 To B's Capital A/c 42,000

   (D) B's Capital A/c Dr. 14,000 To Z's Capital A/c 7,500 To C's Capital A/c 6,500

9. A, B and C are partners with profit sharing ratio 4 : 3 : 2. B retires and goodwill was valued ₹1,08,000. If A & C share profits in 5 : 3, find out the goodwill shared by A and C in favour of B.

(A) ₹22,500 and ₹13,500

(B) ₹16,500and ₹19,500

(C) ₹67,500 and ₹40,500

(D) ₹19,500 and ₹16,500

10. A, B and C were partners sharing profits and losses equally. B died on 31 August, 2023 and total amount transferred to B's executors was ₹ 13,20,000. B's executors were being paid ₹ 1,20,000 immediately and balance was to be paid in four equal semiannual instalments together with interest @ 10% p.a. Total amount of interest to be credited to B's executors Account for the year ended March 31, 2024 will be.

A. ₹ 70,000

B. ₹ 67,500

C. ₹ 60,000

D. ₹ 77,000