Account. ... Loss Account and credited to Partner's Loan

Q. 5. **X and Y were partners in a firm sharing profits in the ratio of 3 : 2. On 31st March, 2016 their fixed capitals were ₹3,00,000 and ₹2,50,000 respectively. On 1st October, 2016, they decided that their total fixed capital should be ₹6,00,000. They further decided that this capital should be in their profit sharing ratio. Accordingly, they introduced extra capital or withdrew excess capital. The partnership deed provided for the following:**

(*i*) Interest on capital @ 12% p.a.

(*ii*) Interest on drawings @ 18% p.a.

(*iii*) A monthly salary of ₹2,000 to X and a monthly salary of ₹1,500 to Y. The drawings of X and Y during the year were as follows:

X withdrew ₹1,200 in the beginning of the every month.

Y withdrew ₹1,200 at the end of the every month.

During the year ended 31st March, 2017 the firm earned a net profit of ₹1,50,000. 10% of this profit was to be transferred to general reserve. You are required to prepare:

(*i*) Profit and Loss Appropriation Account,

(*ii*) Partners' Capital Accounts,

(*iii*) Partners' Current Accounts.

Ans. **Profit and Loss Appropriation Account**

Dr. *for the year ended 31st March, 2017* Cr.

Particulars		(₹)	Particulars		(₹)

			81,105	59,070

Q. 3. Following are the Profit and Loss Appropriation Account and Partners' Capital Account of Amar, Akbar and Anthony sharing profits and losses in ratio of 2:1:1. You are required to complete the missing entries and figures:

Profit and Loss Appropriation Account

for the year ended 31st March, 2017

Dr. Cr.

Particulars		(₹)	Particulars	(₹)
To Interest on Capitals:			By	....
Amar	1,000			
Akbar	800			
Anthony	200	2,000		
To		....		
To Akbar's Commission A/c (13,200 × 10/110)		1,200		
To Partners' Capital A/cs (Share in profit):				
Amar	....			
Akbar	....			
Anthony	....	....		
		17,200		17,200

Dr. Cr.

Partners' Capital Accounts

Particulars	Amar (₹)	Akbar (₹)	Anthony (₹)	Particulars	Amar (₹)	Akbar (₹)	Anthony (₹)
To Drawings A/c	6,000	5,000	4,000	By Balance b/d	20,000	16,000	4,000
To Balance c/d	....	....	....	By Interest on Capital A/c	....	....	....
				By Salary A/c	—	—	2,00[illegible]
				By Commission A/c	—	....	–
				By P & L Appr. A/c	6,000	3,000	3,00[illegible]
	27,000	21,000	9,200		27,000	21,000	9,2[illegible]