# Death of a partner worksheet

**Q1.** A, B and C were partners in a firm sharing profit and losses in the ratio of 2:2:1. Their books are closed on 31st March every year.

**B died on 1st August, 2023.** The executors of B are entitled to:

(i) His share of Capital i.e **₹ 4,00,000** along-with his share of Goodwill. The total goodwill of the firm was valued at 1.5 year's purchase of last year's profit.

(ii) His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended 31st March,2023 was **₹ 4,00,000** and profit for the same year was **₹ 80,000**. Sales shows a growth trend of **25%** and percentage of profit earning is increased by **4%**.

(iii) Amount payable to B was transferred to his executors.

**Prepare B's Account, Answer: Amount payable to B's Executors ₹ 4,64,000**

**Q2.** Tripti, Atishay and Radhika are partners in a firm for 2:2:1. Their Balance Sheet as at 31st March, 2024 is:

**Balance Sheet of Tripti, Atishay and Radhika**
**As at 31st March, 2024**

| Liabilities | | ₹ | Assets | ₹ |
|---|---|---|---|---|
| **Creditors** | | **60,000** | **Plant & Machinery** | **5,00,000** |
| **General Reserve** | | **50,000** | **Debtors** | **60,000** |
| **Profit for the year 23-24** | | **2,00,000** | **Cash at Bank** | **40,000** |
| **Capitals** | | | **Stock** | **3,10,000** |
| **Tripti** | **3,00,000** | | | |
| **Atishay** | **2,00,000** | | | |
| **Radhika** | **1,00,000** | **6,00,000** | | |
| | | **9,10,000** | | **9,10,000** |

**Tripti died on 30th June, 2024. According the partnership deed, the executors of the deceased partner are entitled to:**

(i) Balance in partner's capital account.

(ii) Salary @ **₹ 12,500** per quarter.

(iii) Share of goodwill calculated on the basis of twice the average of past three year's profits and share of profits from the closure of the last accounting year till the date of death on the basis of last year's profit. Profits for 2021-2022 and 2022-2023 were **₹ 1,00,000** and **₹ 1,50,000** respectively.

(iv) Tripti withdrew **₹ 20,000** on 1st May, 2024 for her personal use.

**Prepare Tripti's Capital account, Answer: Amount payable to Tripti's Executors ₹ 5,32,500**

**Q3. Ken, Ben and Zen are partners in a firm with ratio of 5:3:2. Ben Died on 30th June, 2024. Ken and Zen decided to share profits in the ratio of 3:2 in the reconstituted firm. They also decided that the representative of Ben shall be entitled to:**

a) His share of profits calculated on the basis of the firm's sales.

b) His share of goodwill of the firm

***Additional information:***

- The books of the financial year 2023-2024 showed;
- Sales: **₹ 5,00,000**; Profits: **₹ 1,50,000**
- Sales during the year 2024-25, till the date of Ben's death, amounted to **₹ 1,50,000**
- Ben's capital on the date of death was **₹ 75,000**

**Calculate Ben's share of profit up to his death,**

**Pass Journal entry of Ben's goodwill**

**Q4.** A, B and C are partners in a firm for 2:2:1. An extract of their Balance Sheet as at 31st

**As at 31st March, 2025**

| Liabilities | | | ₹ | Assets | ₹ |
|---|---|---|---|---|---|
| **Creditors** | | | **76,000** | **Cash in Hand** | **54,000** |
| **Bills Payable** | | | **24,000** | **Debtors** | **82,000** |
| **Reserve Fund** | | | **28,000** | **Stock** | **52,000** |
| **Capitals** | | | | **Building** | **3,00,000** |
| | **A** | **2,20,000** | | **Investments** | **1,50,000** |
| | **B** | **1,60,000** | | | |
| | **C** | **1,30,000** | **5,10,000** | | |
| | | | **6,38,000** | | **6,38,000** |

**B died on 30th September, 2025. According the partnership deed, the executors of the deceased partner are entitled to:**

(i) Goodwill is to be calculated at **3 year's purchase** on the basis of average of last **3 year's** profit and loss. The profits/ Losses are:

| The year ending on | | ₹ |
|---|---|---|
| 31-3-2023 | **Profit** | **37,000** |
| 31-3-2024 | **Profit** | **25,000** |
| 31-3-2025 | **Loss** | **8,000** |

(ii) Profit for the period from 1-4-2025 to 30-9-2025 shall be ascertained proportionately on the basis of average profits and losses of the **preceding 3 years.**

(iii) During the year 2024-2025, machinery costing **₹25,000** was purchased and debited to repairs account on which **25%** depreciation is to be calculated.

(iv) Other values agreed on assets are:

| | | |
|---|---|---|
| Stock | ₹ | **60,000** |
| Building | ₹ | **3,20,000** |
| Investments | ₹ | **1,25,000** |

**You are required to prepare B's Capital Account on 30-9-2025,** transferring the amount due to B to his Executor's Account.

**Answer: Adjusted Net Profit for the year ₹10,750, Value of Goodwill ₹72,750, B's share of profit ₹4,850, Gain on Revaluation ₹ 21,750, Balance transferred to B's Executor's A/c ₹2,13,850**

**Q5.** The Balance Sheet of **Hari, Jacob and James** as at 31st March, 2023, stood as follows:

**Balance Sheet of Hari, Jacob and James**

**As at 31st March, 2023**

| Liabilities | | ₹ | Assets | ₹ |
|---|---|---|---|---|
| **Capital Accounts** | | | **Fixed Assets** | **3,50,000** |
| **Hari** | **3,40,000** | | **Debtors** | **2,50,000** |
| **Jacob** | **1,90,000** | | **Bank** | **1,50,000** |
| **James** | **2,20,000** | **7,50,000** | | |

**Jacob died on 30th June, 2023**

His Drawings from 1st April, 2023, up to the date of his death amounted to ₹ 1,00,000.

According to the partnership deed, Jacob was:

a) To be charged with interest on drawings @ 4% per annum.

b) Entitled to his share of interim profits for which his capital account was credited with ₹ 1,00,000.

c) Entitled to his share in the non-purchased goodwill of the firm.

The firm's non-purchased goodwill on the date of Jacob's death had no value.

The final amount due to Jacob by the firm was transferred to his executor's loan account.

**You are required to Prepare the interim Balance Sheet of the reconstituted firm as at 30th June, 2023.**