

BCM SCHOOL

BASANT AVENUE DUGRI ,LUDHIANA

XII ACCOUNTANCY (ASSIGNMENT 2)

TOPIC : ADMISSION OF A PARTNER(REVALUATION A/C)

MM 15

Q1 A and B are partners sharing profit and losses in ratio of 5:3. C is admitted for $\frac{1}{4}$ th share. On the date of reconstitution, the debtors stood at Rs 40,000, bill receivable stood at Rs. 10,000 and the provision for doubtful debts appeared at Rs. 4000. A bill receivable, of Rs 10,000 which was discounted from the bank, earlier has been reported to be dishonoured .The firm has sold, the debtor so arising to a debt collection agency at a loss of 40%. If bad debts now have arisen for Rs 6,000 and firm decides to maintain provisions at same rate as before then amount of Provision to be debited to Revaluation Account would be:

- a) Rs 4,400
- b) Rs 4,000
- c) Rs 3,400
- d) Rs 2400 (1)

Q2. A, and B are partners sharing profits in the ratio of 2:3. Their balance sheet shows machinery at ₹ 2,00,000; stock ₹ 80,000, and debtors at ₹ 1,60,000. C is admitted and the new profit sharing ratio is 6:9:5. Machinery is revalued at ₹ 1,40,000 and a provision is made for doubtful debts @5%. A's share in loss on revaluation amount to ₹ 20,000. Revalued value of stock will be:

- a) ₹62,000
- b) ₹1,00,000
- c) ₹60,000
- d) ₹98,000

Q3 PREPARE REVALUATION A/C

Revaluation Account			
1. Change in Value of Assets and Liabilities			
Balance Sheet			
Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry creditors	1,00,000	Furniture	40,000
Employee Provident Fund	20,000	Building	5,00,000
Outstanding expenses	10,000	Stock	80,000
		Patents	7,500
		Plant and Machinery	80,000
		Investment	50,000

Adjustments:

- Furniture is reduced by 10%.
- Building is appreciated by 20%.
- Furniture is brought up to ₹50,000.
- Building appreciated at/to ₹5,50,000.
- Furniture is revalued at ₹30,000.
- Furniture is reduced to 60%.
- Stock is overvalued by ₹4,000.
- Stock is undervalued by ₹5,000.
- Stock is undervalued by 20%.
- 5% provision/reserve is created on sundry creditors for discount.
- A creditor of ₹2,000 is not likely to claim his money and is to be written off.
- Patents are valueless./Patents will be completely written off.
- Employees' Provident Fund is to be increased by ₹5,000.
- Stock includes ₹1,000 for obsolete items.
- Stock is overvalued by 60%.
- Sundry creditors were unrecorded to the extent of ₹5,000./A creditor of ₹5,000 not recorded in the books was to be taken into account.
- Sundry creditors were valued at ₹1,10,000, one bill for goods purchased have been omitted from books.
- 10% depreciation will be charged on plant and machinery.
- Plant and machinery be valued at 125%.
- Outstanding expenses were brought down to ₹9,000.
- Outstanding expenses will be paid off.
- Furniture of ₹30,000 were taken over by partners A and B equally at book value. Remaining furniture were revalued at ₹8,000.
- Market value of investments is ₹45,000.
- Investments were revalued at ₹60,000.
- Stock was taken over by a partner, Krishna at ₹90,000.
- A liability on account of damages of ₹7,000, included in Sundry Creditors, is settled at ₹12,000.