

# WORKSHEET - ACCOUNTS

## XII COMMERCE

### CHAPTER : ADMISSION OF A PARTNER

Charu and Harsha are partners in a firm sharing profits in the ratio of 3: 2. On 1/4/ 2014 their Balance Sheet was as follows :

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Creditors	17,000	Cash	6,000
General reserve	4,000	debtors	15,000
Workmen compensation reserve	9,000	Investments	20,000
Investment fluctuation reserve	11,000	Plant	14,000
Provision for bad debts	2,000	Land and building	38,000
Charu's capital	30,000		
Harsha's capital	20,000		
	93,000		93,000

On the above date Vaishali was admitted for 1/4<sup>th</sup> share in the profits of the firm on the following terms:

- [a] Vaishali will bring Rs. 20,000 for her capital and Rs. 4,000 for her share of goodwill premium.
- [b] All debtors were considered good.
- [c] The market value of investments was Rs. 15,000.
- [d] There was a liability of Rs. 6,000 for workmen compensation .
- [e] Capital accounts of Charu and Harsha are to be adjusted on the basis of Vaishali's capital by opening current accounts.

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