

WORKSHEET (B) - ACCOUNTS

XII COMMERCE

Q1] A, B and C were partners sharing profits & losses in the ratio of 5: 3: 2 respectively. The balance sheet as at 31st March 2012 was as follows:

| LIABILITIES | AMOUNT | ASSETS | AMOUNT |
|----------------------|----------|--------------|----------|
| S. Creditors | 40,000 | Fixed Assets | 1,25,000 |
| Expenses outstanding | 5,000 | Stock | 55,000 |
| Reserves | 15,000 | Debtors | 60,000 |
| Capitals : A | 1,00,000 | cash | 10,000 |
| B | 50,000 | | |
| C | 40,000 | | |
| | 2,50,000 | | 2,50,000 |

B retires on 31-3-2012 and for this purpose Goodwill was valued at three year's purchase of average of average profits, which were Rs. 25,000. Fixed Assets were valued at Rs. 1,70,000, Stock was considered worth Rs. 50,000.

B was to be paid in cash brought in by A and C in such a way so as to make their capitals proportionate to their new profit sharing ratio which is 3:2 respectively.

Prepare capital accounts and balance sheet of A and C.

Q2] Explain the following terms:

- Capital receipts
- Trade discount
- Assets
- Drawings
- Creditors
- Capital