



# INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII

Worksheet-No 5 :

Reference:

**CH – 5: MCQs / OBJECTIVE TYPE ADMISSION**  
**OF A PARTNER**

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Date of issue :

ACCOUNTANCY (055)

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Time Allowed: 25 minutes

**Q. 1 which of the following is not the reconstitution of partnership?**

- a) Admission of a partner
- b) Dissolution of Partnership
- c) Change in Profit Sharing Ratio
- d) Retirement of a partner

**Q. 2 On the admission of a new partner:**

- a) Old partnership is dissolved
- b) Both old partnership and firm are dissolved
- c) Old firm is dissolved
- d) None of the above

**Q. 3 Sacrificing ratio is used to distribute ----- in case of admission of a partner.**

- a) Goodwill
- b) Revaluation Profit or Loss
- c) Profit and Loss Account (Credit Balance)
- d) Both b and c

**Q. 4 “At the time of admission, old partnership comes to an end”. Is the statement true or false?**

**Q. 5 Himanshu and Naman share profits & losses equally. Their capitals were ₹ 1,20,000 and ₹ 80,000 respectively. There was also a balance of ₹ 60,000 in General reserve and revaluation gain amounted to ₹ 15,000. They**

admit friend Ashish with  $\frac{1}{5}$  share. Ashish brings ₹ 90,000 as capital. Calculate the amount of goodwill of the firm.

- a. ₹ 1,00,000
- b. ₹ 85,000
- c. ₹ 20,000
- d. None of the above

Q. 6 Yash and Manan are partners sharing profits in the ratio of 2:1. They admit Kushagra into partnership for 25% share of profit. Kushagra acquired the share from old partners in the ratio of 3:2. The new profit sharing ratio will be:

- a) 14:31:15
- b) 3:2:1
- c) 31:14:15
- d) 2:3:1

Q. 7 A and B are partners sharing profit and losses in ratio of 5:3. C is admitted for  $\frac{1}{4}$ <sup>th</sup> share. On the date of reconstitution, the debtors stood at ₹ 40,000, bill receivable stood at ₹ 10,000 and the provision for doubtful debts appeared at ₹ 4000. A bill receivable, of ₹ 10,000 which was discounted from the bank, earlier has been reported to be dishonored. 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 ₹ 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) ₹ 4,400
- b) ₹ 4,000
- c) ₹ 3,400
- d) None of the above

Q. 8 Heena and Sudha share Profit & Loss equally. Their capitals were ₹ 1,20,000 and ₹ 80,000 respectively. There was also a balance of ₹ 60,000 in General reserve and revaluation gain amounted to ₹ 15,000. They admit friend Teena with  $\frac{1}{5}$  share. Teena brings ₹ 90,000 as capital. Calculate the amount of goodwill of the firm.

- a) ₹ 85,000
- b) ₹ 1,00,000
- c) ₹ 20,000
- d) None of the above

Q. 9 "As per Section 26 of the Indian Partnership Act, 1932, a person can be admitted as a new partner if it is agreed in the Partnership Deed". Is the statement True or False?

Q. 10 Which of the following is not true with respect to Admission of a partner?

- a) A new partner can be admitted if it is agreed in the partnership deed.
- b) If all the partners agree, a new partner can be admitted.

- c) A new partner has to bring relatively higher capital as compared to the existing partners
- d) A new partner gets right in the assets of the firm

**Q. 11 As per -----, only purchased goodwill can be shown in the Balance Sheet.**

- a) AS 37
- b) AS 26
- c) Section 37
- d) AS 37

**Q. 12 “A newly admitted partner cannot pay his share of the goodwill to the sacrificing partners privately”. Is the statement True or False?**

**Q. 13 “Unless agreed otherwise, Sacrificing Ratio of the old partners will be the same as their Old Profit Sharing Ratio”. Is the statement True or False?**

**Q. 14 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

**Q. 15 At the time of admission of a partner, Employees Provident Fund is:**

- a) Distributed to partners in the old profit sharing ratio
- b) Distributed to partners in the new profit sharing ratio
- c) Adjusted through gaining ratio
- d) None of the above

**Q. 16 If at the time of admission if there is some unrecorded liability, it will be - ----- to -- ----- Account.**

- a) Debited, Revaluation
- b) Credited, Revaluation
- c) Debited, Goodwill
- d) Credited, Partners’ Capital

**Q. 17 At the time of admission of a new partner, the balance of Workmen Compensation Reserve will be transferred to:**

- a) Old partners in the old profit sharing ratio
- b) Sacrificing partners in the sacrificing ratio

- c) Revaluation Account
- d) All partners in the new profit sharing ratio

**Q. 18** The firm of P, Q and R with profit sharing ratio of 6:3:1, had the balance in General Reserve Account amounting ₹ 1,80,000. S joined as a new partner and the new profit sharing ratio was decided to be 3:3:3:1. Partners decide to keep the General Reserve unchanged in the books of accounts. The effect will be:

- a) P will be credited by ₹ 54,000
- b) P will be debited by ₹ 54,000
- c) P will be credited by ₹ 36,000
- d) P will be credited by ₹ 36,000

**Q. 19** Which statement is true with respect to AS-26?

- a) Purchased goodwill can be shown in the Balance Sheet
- b) Revalued goodwill can be shown in the Balance Sheet
- c) Both purchased goodwill and revalued can be shown in the Balance Sheet
- d) None of the above

**Q. 20** Premium brought by newly admitted partner should be:

- a) Credited to sacrificing partners
- b) Credited to all partners in the new profit sharing ratio
- c) Credited to old partners in the old profit sharing ratio
- d) Credited to only gaining partners

**Q. 21** Sacrificing ratio is calculated because:

- a) Profit shown by Revaluation Account can be credited to sacrificing partners
- b) Goodwill brought in by the incoming partner can be credited to the new partner
- c) Goodwill brought in by the incoming partner can be credited to the sacrificing partners
- d) Both a and c

**Q. 22** Aryaman and Bholu are partners sharing profit and losses in ratio of 5:3. Chirag is admitted for  $\frac{1}{4}$ <sup>th</sup> share. On the date of reconstitution, the debtors stood at ₹ 40,000, bill receivable stood at ₹ 10,000 and the provision for doubtful debts appeared at ₹ 4000. A bill receivable, of ₹ 10,000 which was discounted from the bank, earlier has been reported to be dishonored. 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 ₹ 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. ₹ 4,400
- b. ₹ 4,000
- c. ₹ 3,400
- d. None of the above

**Q. 23** Revaluation Account is a ----- Account.

- a) Real
- b) Nominal
- c) Personal
- d) Liability

**Q. 24 Match the following:**

i.	Sacrificing Ratio	A	Nominal Account
ii.	Gaining Ratio	B	Reconstitution of Partnership
iii.	Revaluation Account	C	New Ratio – Old Ratio
iv.	Admission of a Partner	D	Old Ratio – New Ratio

- a) i- B, ii-C, iii-A, iv-D
- b) i- D, ii-B, iii-A, iv-C
- c) i- D, ii-C, iii-A, iv-B
- d) i- D, ii-C, iii-B, iv-A

**Q. 25 Match the following with respect to journal entries for treatment of goodwill.**

i.	Incoming partner brings his share of goodwill	A	No Entry
ii.	Incoming partner does not bring his share of goodwill	B	Premium for Goodwill A/c                      Dr. Incoming Partner's Capital A/c              Dr. To Sacrificing Partners Capital A/c
iii.	Incoming partner pays his share of goodwill privately	C	Premium for Goodwill A/c                      Dr. To Sacrificing Partners Capital A/c
iv.	Incoming partner brings only a part of his share of goodwill	D	Incoming Partner's Capital A/c              Dr. To Sacrificing Partners Capital A/c

- a) i- B, ii-C, iii-A, iv-D
- b) i- C, ii-D, iii-A, iv-B
- c) i- D, ii-C, iii-A, iv-B
- d) i- D, ii-C, iii-B, iv-A

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**PLEASE PRACTICE AND THAN CHECK ANSWER**

ANSWERS :- Marks Scored :-----/ 25

Q No	Answer	Q No	Answer	Q No	Answer
1	B	10	C	19	A
2	A	11	B	20	A
3	A	12	False	21	C
4	True	13	True	22	C
5	B	14	C	23	B
6	C	15	D	24	C
7	C	16	A	25	B
8	A	17	A		
9	False	18	A		