



INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII

Worksheet-No 8

Reference:

CH- 8: MCQs/OBJECTIVE TYPE DISSOLUTION
OF PARTNERSHIP

T.S.Grewal

Date of issue :

ACCOUNTANCY (055)

Date of
submission

December
2020

-----2020

=====

Time Allowed : 30 Minutes

- A. Choose the correct alternative for the following:
- New ratio is not to be calculated on:
 - Admission of a partner
 - Retirement of a partner
 - Death of a partner
 - Dissolution of a partnership
 - At the time of dissolution of partnership an unrecorded asset taken by X a partner is debited to:
 - X capital account
 - Realisation account
 - Cash account
 - None of the above
 - On firm's dissolution which of the following account is prepared at the last?
 - Realisation account
 - Partners' capital account
 - Cash account partners
 - Loan account
 - On dissolution of a firm fictitious assets are transferred to:
 - Credit side of partners' capital account
 - Debit side of realisation account
 - Debit side of partners' capital account
 - Credit side of realisation account
 - On dissolution of a firm in which ratio profit and loss on realisation is distributed among the partners:
 - Capital ratio
 - Profit sharing ratio
 - Equally
 - In the ratio of amount due to each partner.
 - On dissolution of the firm amount received from sale of unrecorded asset is credited to :

- a. Partner's capital account:
 - b. Profit and loss account
 - c. Cash account
 - d. Realisation account
7. Realisation account is a :
- a. Personal account
 - b. Real account
 - c. Nominal account
 - d. None of the above.
8. At the time of firm's dissolution credit balance of profit and loss account is credited to :
- a. Realisation account
 - b. Partners' capital account
 - c. Cash account
 - d. Profit and loss account.
9. On dissolution of a firm Goodwill appearing in the balance sheet is transferred to:
- a. Capital account of partners
 - b. Cash account
 - c. Debit side of realisation account
 - d. Credit side of realisation account.
10. On dissolution the balance of partners' capital account appearing on the credit side of the balance sheet is transferred to :
- a. Debit side of realisation account
 - b. Credit side of realisation account
 - c. Debit side of partners' capital account
 - d. Credit side of partners' capital account.
11. A, B and C are partners. The firm had given a loan of ₹ 20,000 to B. They decided to dissolve the firm. In the event of dissolution the loan will be settled by transferring it to the:
- a. Debit side of realisation account
 - b. Transferring it to the credit side of realisation account
 - c. Transfer it to the debit side of B's capital account
 - d. B paying A and C privately.
12. In case of dissolution, total creditors of the firm were ₹ 40,000; creditors worth ₹ 10,000 were given a piece of furniture costing ₹ 8,000 in full and final settlement. Remaining creditors allowed a discount of 10%. What will be the amount with which cash will be credited in the realisation account for payment to creditors:
- a. ₹ 28,000
 - b. ₹ 27,000
 - c. ₹ 20,000
 - d. ₹ 25,000
13. In case of dissolution A one of the partner was paid only ₹ 5,000 for his loan to the firm which amounted to ₹ 5,500. ₹ 500 will be recorded in which account and on which side:

- a. Realisation account credit side correct
- b. Realisation account debit side
- c. loan account debit side
- d. A's capital account credit side.

14. Section 41 of partnership act 1932 deals with dissolution of a firm

- a. By mutual agreement
- b. Compulsory dissolution correct
- c. By notice
- d. By order of court.

15. Settlement of accounts in case of dissolution of partnership is dealt with which section of partnership act 1932?

- a. Section 45
- b. section 46
- c. section 47
- d. section 48

16. In case of dissolution of partnership there was no workmen compensation fund and firm had to pay ₹ 3000 as compensation to workers where will be this ₹ 3000 recorded in the books of accounts?

- a. Debit side of realisation account
- b. Credit side of realisation account
- c. Debit side of partners' capital account
- d. Credit side of partners' capital account.

17. Court may order dissolution of partnership firm

- a. When a partner has become of unsound mind
- b. When a partner is permanently incapacitated
- c. When a partner is found guilty of misconduct
- d. All of the above.

18. Which of the following is paid first in case of dissolution of partnership firm?

- a. Realisation expenses
- b. External liabilities
- c. Secured loan
- d. Partner's loan

19. At the time of dissolution total assets are worth ₹ 3,00,000 and external liabilities are worth ₹ 1,20,000. If assets realised 120% and realisation expenses paid were Rs4,000, then profit/loss on realisation will be:

- a. Profit ₹ 60,000
- b. Loss ₹ 60,000
- c. Loss ₹ 56,000
- d. Profit ₹ 56,000

20. When realisation expenses are to be borne by a partner, actual realisation expense is credited to:

- a. Partners capital a/c
- b. Cash a/c
- c. Realisation a/c

d. None of the above

21. While transferring assets to realisation account is omitted to be transferred :

- (A) Patents
- (B) Goodwill
- (C) Cash
- (D) Investments

B. FILL IN THE BLANKS:

22. At the time of admission partnership firm is dissolved if business is _____.

23. All the accounts are settled among partners and creditors at the time of _____ of a business.

24. First of all _____ of the firms will be settled out of sources of the business.

25. Admission of a partner is termination of _____ and not a dissolution of _____.

26. Court may also dissolve a firm, if a partner _____ a suit, that one of the partners is of _____ mind.

27. Partners are liable to settle the account of accounts payable even from their _____ sources, if they are solvent.

28. _____ of partner will be paid off, before the settlement of partner's capital.

29. If all partners mutually decide for the dissolution, it will be dissolution of the _____.

30 Match the following:

1	Account opened to find profit/loss on sale of Assets and settlement of liabilities.	A	Realisation profit
2	Credit balance in the realisation account.	B	Realisation
3	Conversion of assets into cash on dissolution of firm.	C	Realisation a/c
4	Liability likely to arise in future on happening of certain events.	D	Realisation expenses
5	Expenses incurred on dissolution of a firm.	E	Contingent liability

PLEASE PRACTICE AND THAN CHECK ANSWER

ANSWERS :-

Q No	Answer	Q No	Answer	Q No	Answer
1	D	13	A	25	Agreement, firm
2	A	14	B	26	Files, unsound
3	C	15	D	27	personal
4	C	16	A	28	Loan
5	B	17	D	29	Firm
6	D	18	A	30.1	C
7	C	19	D	30.2	A
8	B	20	D	30.3	B
9	C	21	C	30.4	E
10	D	22	Discontinued	30.5	D
11	C	23	Dissolution		
12	B	24	liabilities		

Marks Scored :-----/ 34