

**Practice Sheet: Partnership Accounts: Admission of Partner**

1. Following are the details given by your Partnership Firm clients.

A & B were partners till now and admitted C as a new partner.

Balance Sheet as on 31<sup>st</sup> March 2017 (Rupees in Lacs)

Liabilities	I	II	III	Assets	I	II	III
Capital: Mr. A	5	3	8	Building	3	4	6
Capital: Mr. B	7	8	4	Investments	2	5	4
General Reserve	10	5	10	Debtors	2	4	3
Creditors	5	4	7	Bills Receivable	3	2	5
Other Liabilities	6	5	8	Bank	23	10	19
	<b>33</b>	<b>25</b>	<b>37</b>		<b>33</b>	<b>25</b>	<b>37</b>

**Adjustments:**

Sr. No.	Particulars	I	II	III
1	Old Profit Sharing Ratio (PSR)	3:2	2:3	1:1
2	Mr. C will bring the cash in	Rs.6L	5L	8L
3	Building appreciated by	20%	10%	20%
4	Investments Reduced by	10%	20%	10%
5	BR Taken over by Mr. A @	80%	80%	90%
6	Revaluation expenses Rs.	10,000	20,000	40,000
7	New PSR will br	5:3:2	3:5:2	2:2:1
8	Goodwill of the firm is valued at	Rs.3L	Rs.6L	Rs.6L
9	New Capital Balances to be in the new ratio on the basis of capital balance of	Mr. A	Mr. A	Mr. B
<b>Prepare the new Balance sheet after admission of Mr.C</b>				

**Practice Sheet: Partnership Accounts: Retirement of Partner**

1. Following are the details given by your Partnership Firm clients.

A, B & C were partners till now and C Retired from the firm..

Balance Sheet as on 31<sup>st</sup> March 2017 (Rupees in Lacs)

Liabilities	I	II	III	Assets	I	II	III
Capital: Mr. A	7	5	9	Building	4	3	8
Capital: Mr. B	6	4	9	Investments	3	5	6
Capital : Mr. C	8	9	6	Joint Life Policy	2	3	6
General Reserve	10	20	10	Debtors	5	4	3
Creditors	7	6	5	Bills Receivable	8	9	4
Other Liabilities	5	4	8	Bank	21	24	20
	<b>43</b>	<b>48</b>	<b>47</b>		<b>43</b>	<b>48</b>	<b>47</b>

**Adjustments:**

Sr. No.	Particulars	I	II	III
1	Old Profit Sharing Ratio (PSR)	5:3:2	2:2:1	3:5:2
2	Mr C retired on	30/6/17	30/9/17	31/12/17
3	Building appreciated by	20%	10%	20%
4	Investments Reduced by	10%	20%	10%
5	BR Taken over by Mr. A @	80%	80%	90%
6	Revaluation expenses Rs.	20,000	10,000	20,000
7	New PSR will br	1:1	2:3	3:2
8	Goodwill of the firm is valued at	Rs.6L	Rs.3L	Rs.9L
9	The profit of the last financial year was	Rs.12L	Rs.6L	Rs.12L
9	New Capital Balances to be in the new ratio on the basis of capital balance of	Mr. A	Mr. A	Mr. B
<b>Prepare the new Balance sheet after retirement of Mr.C</b>				