



BOSCO PUBLIC SCHOOL
MID TERM EXAMINATION (2025-2026)
CLASS: XII
SUBJECT: ACCOUNTANCY



TIME: 3 Hrs.

M.MKS: 80

GENERAL INSTRUCTIONS:

- (i) The paper comprises 34 questions.
- (ii) All questions are compulsory. However, internal choices are given with respective questions.
- (iii) This question paper has four sections: Section A, Section B, Section C, and Section D.
- (iv) Section A contains 20 questions of 1 mark each, Section B contains 6 questions of 3 marks each, Section C contains 3 questions of 4 marks each, and Section D contains 5 questions of 6 marks each.

Choose the correct alternative in question no. 1-20.

1. Which of the following is true regarding Salary to a partner when the firm maintains fluctuating capital accounts?
 - (a) Debit Partner's Loan A/c and credit P&L Appropriation A/c.
 - (b) Debit P&L A/c and credit Partner's Capital A/c.
 - (c) Debit P&L Appropriation A/c and credit Partner's Current A/c.
 - (d) Debit P&L Appropriation A/c and credit Partner's Capital A/c. (1)
2. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R).
 Assertion (A): Transfer to reserves is shown in P & L Appropriation A/c.
 Reason (R): Reserves are charges against the profits.
 In the context of the above statements, which one of the following is correct?
 - (a) (A) is correct, but (R) is wrong.
 - (b) Both (A) and (R) are correct.
 - (c) (A) is wrong, but (R) is correct.
 - (d) Both (A) and (R) are wrong. (1)
3. Gain / loss on revaluation at the time of change in profit sharing ratio of existing partners is shared by _____ (i) _____ whereas in case of admission of a partner, it is shared by _____ (ii) _____.
 - (a) (i) Remaining partners, (ii) all partners
 - (b) (i) All partners, (ii) old partners
 - (c) (i) New partner, (ii) all partners
 - (d) (i) Sacrificing partner, (ii) incoming partner.

OR

E, F and G are partners sharing profits in the ratio of 3:3:2. As per the partnership agreement, G is to get a minimum amount of ₹80,000 as his share of profits every year, and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March, 2020, amounted to ₹3,12,000. Calculate the amount of deficiency to be borne by E?

- (a) ₹1,000 (b) ₹8,000 (c) ₹4,000 (d) ₹2,000 (1)
4. In the absence of a partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of:
 - (a) 6% p.a. on their additional capital, only when there are profits.
 - (b) 10% p.a. on their additional capital
 - (c) 12% p.a. on their additional capital
 - (d) Not entitled to any interest on their additional capital

OR

Sacrificing ratio is used to distribute _____ in case of admission of a partner.

- (a) Reserves (c) Goodwill
- (b) Revaluation profit (d) Balance in the profit and loss account (1)
5. A, B and C are partners; their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹4,800 at the end of the year. What was the amount of his monthly drawings?
 - (a) ₹10,000 (b) ₹1,20,000 (c) ₹5,000 (d) ₹48,000 (1)
6. Abhay and Baldwin are partners sharing profit in the ratio 3:1. On 31st March 2021, the firm's net profit is ₹1,25,000. The partnership deed provided interest on capital of ₹15,000 and ₹10,000 to Abhay and Baldwin respectively and Interest on drawings for the year amounted to ₹ 6,000 from Abhay and ₹ 4,000

- from Baldwin. Abhay is also entitled to commission @ 10% on net divisible profits. Calculate profit to be transferred to Partners' Capital A/c's.
- (a) ₹1,00,000 (b) ₹1,07,000 (c) ₹1,10,000 (d) ₹90,000 (1)
7. Sarvesh, Sriniketan and Srinivas are partners sharing profits in the ratio of 5:3:2. If Sriniketan's share of profit at the end of the year amounted to ₹1,50,000, what will be Sarvesh's share of profits? (1)
- (a) ₹5,00,000 (b) ₹3,00,000 (c) ₹1,50,000 (d) ₹2,50,000
8. Arun and Vijay are partners in a firm sharing profits and losses in the ratio of 5:1. The Balance sheet of the firm shows Machinery at ₹ 40,000. If the value of machinery reflected in the balance sheet is overvalued by 33 %, find out the value of Machinery to be shown in the new Balance Sheet. (1)
- (a) ₹ 44,000 (b) ₹ 32,000 (c) ₹48,000 (d) ₹30,000
9. Mickey, Tom and Jerry were partners in the ratio of 5:3:2. On 31st March 2021, their books reflected a net profit of ₹2,10,000. As per the terms of the partnership deed they were entitled for interest on capital which amounted to ₹80,000, ₹60,000 and ₹40,000 respectively. Besides this a salary of ₹60,000 each was payable to Mickey and Tom. Calculate the ratio in which the profits would be appropriated. (1)
- (a) 1:1:1 (b) 7:6:2 (c) 5:3:2 (d) 4:3:2

OR

- Ajay and Vinod are partners in the ratio of 3:2. Their fixed Capitals were ₹3,00,000 and ₹4,00,000 respectively. After the close of accounts for the year, it was observed that the Interest on Capital, which was agreed to be provided at 5% p.a. was erroneously provided at 10% p.a. By what amount will Ajay's account be affected if partners decide to pass an adjustment entry for the same? (1)
- (a) Ajay's current a/c will be debited by ₹15,000
 (b) Ajay's current a/c will be credited by ₹6,000
 (c) Ajay's current a/c will be credited by ₹35,000
 (d) Ajay's current a/c will be debited by ₹20,000
10. Based on the following data, how much final payment will be made to a partner on the firm's dissolution? The credit balance of the capital account of the partner was ₹50,000. Share of loss on realisation amounted to ₹10,000. The firm's liability taken over by him is ₹8,000. (1)
- (a) ₹32,000 (b) ₹40,000 (c) ₹48,000 (d) ₹52,000
11. Seeta and Geeta are partners sharing profits and losses in the ratio 4:1. Meeta was a manager who received a salary of ₹ 4,000 p.m. in addition to a commission of 5% on net profits after charging such commission. Profit for the year is ₹ 6,30,000 before charging salary. Find the total remuneration of Meeta. (1)
- (a) ₹78,000 (b) ₹87,000 (c) ₹88,000 (d) ₹76,000
12. Assertion (A): A change in the profit-sharing ratio of the existing partners amounts to the dissolution of the partnership firm.
 Reason (R): A change in the profit-sharing ratio of the existing partners results in a change in the existing agreement between the partners, leading to reconstitution of the firm. (1)
- (a) Both A and R are correct
 (b) A is correct, but R is wrong
 (c) A is wrong, but R is correct
 (d) Both A and R are wrong
13. X, Y and Z were partners sharing profits and losses in the ratio of 3:2:1. At the time of Dissolution of the partnership firm, Y's Loan will be: (1)
- (a) Debited to Realisation Account (b) Credited to Bank Account
 (c) Credited to Y's Capital Account (d) Credited to Realisation Account
14. Assertion (A): Realisation account is prepared at the time of dissolution of a partnership firm
 Reasoning(R): Dissolution of a firm includes the sale of assets and the payment of liabilities. In last, paying partners or recovering cash. (1)
- (a) (A) is correct, but (R) is wrong.
 (b) Both (A) and (R) are correct, but (R) is not a correct explanation of (A)
 (c) Both (A) and (R) are incorrect
 (d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)
15. In case of the Dissolution of the firm, Goodwill will be transferred to: (1)
- (a) The credit of cash A/c (b) Debit side of partners' Capital A/c
 (c) Debit of Realisation A/c (d) Credit side of Realisation A/c

OR

In case of a change in the profit-sharing ratio among partners of the firm, Goodwill will be treated:

- (a) Debit gaining partners' capital and credit, sacrificing partners' capital Account
- (b) Debit the sacrificing partners' capital A/c and credit the gaining partners' capital Account.
- (c) Debit of Revaluation A/c
- (d) Credit side of Revaluation A/c

16. Furniture of ₹ 50,000 does not appear in the books. One of the creditors took this furniture in full settlement of his debt ₹ 55,000. How much will be payable to the creditor? (1)
- (a) ₹ 5000 (b) ₹ 50,000 (c) ₹ 60,000 (d) NIL

OR

On the Dissolution of a firm, the Assets appeared at ₹ 58,500 in the Balance Sheet. X, one of the partners took some assets at ₹ 36,000, which was 10% less than the Book Value and took the remaining assets at 80% of book value.

Realisation account is to be credited with:

- (a) ₹ 54,000 (b) ₹ 36,000 (c) ₹ 42,000 (d) ₹ 50,800 (1)

17. Is the outgoing partner entitled to his share of the goodwill in the firm? (1)
- (a) Yes, Goodwill earned by the firm is the result of the effort of the retired partner.
 - (b) Yes, Goodwill earned by the firm is the result of the effort of all the firm's partners
 - (c) No, Goodwill earned by the firm is the result of the effort of only one partner.
 - (d) No, Goodwill earned by the firm is the result of the effort of none of the partners.

OR

Which of the following is not correct regarding the rights of a Partner?

- (i) Right to inspect the books of the firm
- (ii) Right to take part in the affairs of the firm
- (iii) Right to share the profits/losses of the firm
- (iv) Right to receive a salary at the end of each month

- (a) Only (iv) (b) Only (i) (c) (i) and (ii) (d) (i) and (iv) (1)

18. A, B and C are partners. A's capital is ₹3,00,000 and B's capital is ₹1,00,000. C has not invested any capital, but he manages the whole business alone. C was given Rs 30,000 p.a. as salary. The firm earned a profit of ₹1,50,000. How much profit should be given to each partner? (1)
- (a) A ₹60,000; B ₹60,000; C Nil
 - (b) A ₹90,000; B ₹30,000; C Nil
 - (c) A ₹40,000; B ₹40,000 And C ₹40,000
 - (d) A ₹50,000; B ₹50,000 And C ₹50,000

19. Net profit of a firm is ₹79,800. The manager is entitled to a commission of 5% on net profit after charging such commission. Manager's Commission will be: (1)

- (a) ₹ 4200 (b) ₹ 380 (c) ₹ 3990 (d) ₹ 3800 (1)

20. Which of the following sections of Indian Partnership Act, 1932 deals with the settlement of accounts when the firm is dissolved? (1)

- (a) Section 44 (b) Section 48 (c) Section 46 (d) Section 41

OR

Which of the following sections of Indian Partnership Act, 1932 defines the term Partnership?

- (a) Section 44 (b) Section 48 (c) Section 46 (d) Section 4 (1)

SECTION B

21. Ram, Mohan and Sohan were partners sharing profits in the ratio of 2: 1: 1. Ram withdrew ₹3,000 every month and Mohan withdrew ₹ 4,000 every month. Interest on drawings @ 6% p.a. was charged, whereas the partnership deed was silent about interest on drawings. Pass the necessary adjustment entry. Showing your working clearly. (3)

OR

Amay, Anmol and Rohan entered into partnership on 1st July, 2021, to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a. would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended March 31, 2022, was ₹1,38,000. Prepare Profit and Loss Appropriation A/c. (3)

22. Mohan, Krishnan and Ram, who are partners in a firm, share profits in the ratio of 3:2:1. Goodwill has been valued at ₹ 1,80,000. On Krishnan's retirement, Mohan and Ram agree to share profits equally. Pass the necessary journal entry for the treatment of Krishnan's share of goodwill. (3)

23. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 5:4:1. The Partnership agreement provides that the share of profit of the deceased partner will be calculated based on sales. Y died on 30th June 2023. The sales for the year 2022-23 were ₹ 8,00,000 and the sales from April 1, 2023, to June 30, 2023, were ₹ 1,50,000. The profit for the year ended March 31, 2023, amounted to ₹ 1,00,000. Calculate his share of profit and pass the necessary journal entry. (3)
24. A, B and C are partners, sharing profits in the ratio of 5:3:2. B retires and the new profit-sharing ratio between A and C is agreed at 2 : 3. They also decided to record the effect of the following without affecting their book values. Give necessary accounting treatment. (3)

Particulars	₹
General Reserve	2,40,000
Contingency Reserve	1,40,000
Profit & Loss A/c (Dr.)	60,000
Advertisement Suspense Account	20,000

25. Distinguish between Dissolution of Partnership and Dissolution of Partnership Firm based on:
- Nature of Accounts prepared
 - Treatment of Goodwill

OR

Distinguish between fixed capital system and fluctuating capital system. (3)

26. Neha and Tanisha are partners in a firm sharing profits in the ratio of 2:3. They admit Sunita as a partner with $\frac{1}{5}$ th share in profits. Sunita brings ₹ 20,000 (including capital of ₹ 17,000 and remaining as her share in goodwill). Goodwill of the firm was valued at ₹ 20,000. Sunita is unable to bring the remaining portion of her share of goodwill. The old partners withdraw half of the amount from the business. Pass journal entries for the treatment of Goodwill on Sunita's admission. (3)

SECTION C

27. Gagan, Harish and Reena were partners in a firm sharing profits and losses equally. On 31st March, 2015, Harish died and the amount payable to his executors was ₹90,000. It was agreed between the remaining partners and Harish's executors that the executors will be paid in four equal yearly instalments along with interest @ 18% per annum starting from 31st March, 2016. Prepare Harish's executor's account till it is finally closed.

OR

Charu, Dhvani, Iknoor and Paavni were partners in a firm. They had entered into a partnership firm last year through a verbal agreement. They contributed capital to the firm, and to meet other financial requirements, a few partners also provided loans to the firm. Within a year, their conflicts arose due to certain disagreements, and they decided to dissolve the firm. The firm had appointed Ms. Kavya to carry on the dissolution process. Ms. Kavya had transferred various assets and external liabilities to Realisation A/c. Due to her busy schedule, Ms. Kavya has delegated this assignment to you, an intern in her firm. On the date of dissolution, you have observed the following transactions:

- Dhwni's Loan of ₹ 50,000 to the firm was settled by paying ₹ 42,000.
- Paavni's Loan of ₹ 40,000 was settled by giving an unrecorded asset of ₹ 45,000.
- Loan of ₹ 60,000 given to Charu was settled against her brother's loan of the same amount.
- Iknoor's Loan of ₹ 80,000 to the firm was settled by giving Machinery of ₹ 60,000 as part payment and the balance in Cash.

You are required to pass the necessary entries for all the above-mentioned transactions. (4)

28. Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2: 2: 1. Their partnership deed provided the following:
A monthly salary of ₹ 15,000 each to Jay and Vijay.
Karan was guaranteed a profit of ₹ 5,00,000 and Jay guaranteed that he would earn an annual fee of ₹ 2,00,000. Any deficiency arising due to the guarantee given to Karan will be borne by Jay and Vijay in the ratio of 3: 2. During the year ended 31st March, 2023, Jay earned a fee of ₹ 1,75,000. The profits of the firm were ₹ 15,00,000. Showing your workings, prepare the Profit and Loss Appropriation Account for the year ended 31st March 2023. (4)

29. Record necessary Journal Entries for the following unrecorded assets, liabilities and expenses in the books of Paras and Priya at the time of change in profit sharing ratio between them:
- There was an old furniture in the firm, which had been written off completely in the books. This was sold for ₹ 3,000.
 - Ashish, an old customer whose Account for ₹ 1,000 was written off as bad in the last year, paid 60% of the amount.
 - Paras agreed to take over the firm's furniture (not recorded in the books of the firm); at a valuation of ₹ 30,000.
 - There was an old typewriter which had been written off completely from the books. It was taken by Priya at ₹ 400. (at estimated price less 25%).

(4)

SECTION D

30. Raghu and Rishu are partners sharing profits in the ratio of 3:2. Their Balance Sheet as at 31st March, 2021 was as follows:

Liabilities		₹	Assets		₹
Creditors		86,000	Cash in Hand		77,000
Employees Provident Fund		10,000	Debtors	42,000	
Investment Fluct. Fund		4,000	(-) Prov. For DD (7,000)		35,000
Capital A/c:			Investments		21,000
Raghu	1,19,000		Building		98,000
Rishu	<u>1,12,000</u>	2,31,000	Plant & Machinery		1,00,000
		<u>3,31,000</u>			<u>3,31,000</u>

Rishabh was admitted on that date for 1/4th share of profit on the following terms:

- Rishabh will bring ₹ 1,50,000 as his share of capital.
- The Goodwill of the firm is valued at ₹ 42,000 and Rishabh will bring his share of goodwill in cash.
- The building was appreciated by 20%.
- All Debtors were good.
- There was a liability of ₹ 10,800 included in Creditors, which was not likely to arise.
- The new profit-sharing ratio will be 2:1:1.
- The capital of Raghu and Rishu will be adjusted based on Rishabh's share of capital, and any excess or deficiency will be made by withdrawing or bringing in cash by the concerned partners as the case may be.

Prepare Revaluation Account and partners' Capital Accounts after admission

OR

Dhruv, Harshil and Kabir are partners sharing profits in the ratio 3: 2: 1. On 1st April 2022 their Balance Sheet stood as follows:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals:			Goodwill		30,000
Dhruv	43,000		Machinery		42,000
Harshil	30,000		Investments		24,000
Kabir	<u>40,000</u>	1,13,000	Furniture		8,000
Investment Fluctuation Fund		10,000	Debtors		33,000
Workmen Compensation Reserve		20,000	Stock		20,000
Sundry Creditors		42,000	Bank		28,000
		<u>1,85,000</u>			<u>1,85,000</u>

On the above date, they decided to share the future profits in the ratio 5:3:2. For this purpose, the goodwill of the firm was valued at ₹ 1,80,000. The partners also agreed to the

following terms:

- (i) The Claim against the workmen's compensation reserve was valued at ₹ 15,800.
(ii) A debtor of ₹ 3,000 turned bad. A provision for bad debt of 5% on debtors is to be created.
(iii) Assets were revalued as follows: Machinery ₹ 50,000; Investments ₹ 20,000; Furniture ₹ 5,000 and Stock ₹ 15,000. Prepare Revaluation A/c and Partners' Capital A/cs. (6)
31. Priti and Riti are partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2023, their Balance Sheet was as follows:

Liabilities	₹	Assets	₹
Bank Overdraft	60,000	Cash in Hand	26,000
General Reserve	56,000	Bank Balance	20,000
Investments Fluctuation Reserve	30,000	Sundry Debtors	26,000
Loan by Priti	54,000	Less: Provision for Doubtful Debts	(2,000)
Capital A/c:		Investments	60,000
Priti	50,000	Stock	10,000
		Furniture	20,000
		Building	60,000
		Riti's Capital	30,000
	2,50,000		2,50,000

On that date, the partners decided to dissolve the firm. Priti took Investments at an agreed value of ₹45,000. The other assets were realised as follows:

Sundry Debtors: Full amount. The firm could realise Stock at 15% less and the building was sold at ₹ 1,00,000.

The firm paid compensation of ₹ 10,000 to employees. This liability was not provided for in the above Balance Sheet.

You are required to close the books of the firm by preparing a Realisation Account.

OR

Following is the Balance sheet of Radhika and Bhanu as on 31st March 2014.

Balance Sheet

Liabilities	Amount ₹	Assets	Amount ₹
Bank loan	60,000	Cash and Bank	30,000
Creditors	80,000	Debtors	70,000
Bills payables	40,000	Stock	2,00,000
Bhawna loan	20,000	Investments	1,40,000
Capitals:		Buildings	60,000
Radhika	1,00,000		
Bhanu	2,00,000		
	5,00,000		5,00,000

They decided to dissolve the firm. The following information is available:

- (i) Debtors were recovered at 5% less. The stock was realised at book value and the building was sold for ₹ 51,000.
(ii) It is found that investment not recorded in the books amounted to ₹ 10,000. The same was accepted by one creditor for this amount and other Creditors were paid at a discount of 10%. Bills payables were paid in full.
(iii) Radhika took over some of the Investments at ₹ 8,100 (book value less 10%). The remaining investments were taken over by Bhanu at 90% of the book value.
(iv) Bhanu paid a bank loan along with one year interest at 6% p.a.
(v) An unrecorded liability of ₹ 5,000 was paid.

Prepare Realisation Account.

(6)

32. Moli, Bhola and Raj were partners in a firm sharing profits and losses in the ratio of 3 : 3: 4. Their partnership deed provided for the following :

- Interest on capital @ 5% p.a.
- Interest on partner's loan @ 6% p.a.
- Moli was allowed an annual salary of ₹ 4,000; Bhola was allowed a commission of 10% of net profit as shown by the Profit and Loss Account and Raj was guaranteed a profit of ₹ 1,50,000 after making all the adjustments as provided in the partnership agreement.

Their fixed capitals were Moli: ₹ 5,00,000; Bhola: ₹ 8,00,000 and Raj: ₹ 4,00,000. On April 1, 2021, Bhola extended a loan of ₹ 1,00,000 to the firm. The net profit of the firm for the year ended 31st March, 2022, before interest on Bhola's loan was ₹ 3,06,000.

Prepare Profit and Loss Appropriation Account of Moli, Bhola and Raj for the year ended 31st March, 2022.

(6)

33. The following was the Balance Sheet of Basant, Akshat and Surendra sharing profits and losses in the proportion of 2:1:1

BALANCE SHEET

Liabilities		Amt. ₹	Assets	Amt. ₹
Creditors		18,900	Land & Buildings	50,400
Bills Payable		6,300	Furniture	7,350
Reserve		7,000	Stock	29,400
Capital Accounts:			Debtors	26,460
Basant	39,900		Cash at Bank	8,890
Akshat	33,600			
Surendra	16,800	90,300		
		1,22,500		1,22,500

They agreed to admit Manish into partnership and give him $1/5^{\text{th}}$ share of profits on the following terms:

- Manish brings in ₹ 16,000 as his Capital.
- Furniture be written down by ₹ 920 and stock be depreciated by 10%.
- A Provision of ₹ 1,320 be made for outstanding repair bills. The value of Land and Buildings be written up to ₹ 65,100.
- That Manish's share of Goodwill is fixed at ₹ 8,820. Manish brings this amount in Cash.
- That the Capitals of Basant, Akshat and Surendra be adjusted based on Manish's Capital by opening the necessary Current Accounts.

Prepare the Revaluation account and Partner's capital accounts

(6)

34. Navya, Divya and Somya were partners sharing profits and losses in the ratio of their capitals. Their Balance Sheet as on 31st March 2022 stood as given under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Cash in hand	32,000
Bills Payable	12,000	Debtors	20,000
General Reserve	18,000	Less : Prov. for Bad debts (1,000)	19,000
Capital A/c :		Stock	28,000
Navya	90,000	Investments	46,000
Divya	60,000	Furniture	25,000
Somya	30,000	Machinery	90,000
	2,40,000		2,40,000

On the above date, Navya retired.

The goodwill of the firm is valued at ₹ 30,000 and is to be adjusted in the Capital accounts of

Divya and Somya, who decide to be equal partners in future.

Fill in the missing information in the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after Navya's retirement. (6)

Dr.

Revaluation A/c

Cr.

	Amount (₹)	Particulars	Amount (₹)
To Provision for bad debt A/c	1,000	By Investments A/c	5,000
To Machinery A/c	9,000	By <i>Prepaid Ins.</i>	2,000
To <i>Loan for Navya</i>	2,000	By loss transferred to:	
		Navya's Capital A/c	2,250
		Divya's Capital A/c	1,500
		Somya's Capital A/c	750
	11,500		11,500

Dr.

Partners' Capital A/cs

Cr.

Particulars	Navya (₹)	Divya (₹)	Somya (₹)	Particulars	Navya (₹)	Divya (₹)	Somya (₹)
To Navya's Capital A/c		.....	.....	By Balance b/d	9,000	6,000	3,000
To Cash	15,000			By Divya's Capital A/c			
To Navya's Loan A/c				By Somya's Capital A/c			
To Balance c/d							

Balance Sheet of the new firm

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Cash in hand	.....
Bills Payable	12,000	Debtors	20,000
Claim for damages	2,000	Less: Provision	(1,500)
Navya's Loan A/c	.....	Stock	28,000
Capital A/cs		Investments	5,000
Divya	.....	Furniture	25,000
Somya	.....	Machinery	81,000
		Prepaid Insurance	2,000
	.....		2,22,500