which of the two options available u/s 37 of the Indian Partnership Act, 1932 should be exercised by executors of C and why?.

Or

Amit and Kartik are partners sharing profits and losses equally. They decided to admit Saurabh for an equal share in the profits. For this purpose, the goodwill of the firm was to be valued at four years' purchase of super profits.

The Balance Sheet of the firm on Saurabh's admission was as follows:

| Liabilities | | Amount (₹) | Assets | Amount(₹) |
|---|---|---|---|---|
| Capital Accounts | | | Fixed Assets (Tangible) | 75,000 |
| Amit | 90,000 | | Furniture | 15,000 |
| Kartik | 50,000 | 1,40,000 | Stock | 30,000 |
| Creditors | | 5,000 | Debtors | 20,000 |
| General Reserve | | 20,000 | Cash | 50,000 |
| Bills payable | | 25,000 | | |
| | | **1,90,000** | | **1,90,000** |

The normal rate of return is 12% p.a. Average profit of the firm for the last four years was ₹30,000. Calculate Saurabh's share of goodwill.

**19.** Buddha Limited took over assets of ₹ 40,00,000 and liabilities of ₹ 6,50,000 of Ginny Limited. Buddha Limited issued 30,000, 8% Debentures of ₹ 100 each at 10% discount, to be redeemed at 5% premium along with cheque of ₹ 5,00,000. Pass necessary journal entries in the books of Buddha Ltd. **3**

Or

A company forfeited 8,000 shares of ₹ 10 each on which ₹ 8 were called (including ₹ 1 premium) and ₹ 6 was paid (including ₹ 1 premium). Out of these 5,000 shares were re-issued at maximum possible discount. Pass necessary journal entries.



**20.** Bat, Cat and Rat were partners sharing profits and losses in the ratio 5:3:2. Cat retired and on that date there was a balance of Investment of ₹ 4,00,000 and Investment Fluctuation Reserve of ₹ 1,00,000 was appearing in the balance sheet. **3**

Pass necessary journal entries for Investment Fluctuation reserve in the following cases.

(i) Market Value of Investments was ₹ 4,80,000.

(ii) Market Value of Investments was ₹ 3,80,000.

(iii) Market Value of Investments was ₹ 2,90,000

**21.** A company forfeited certain number of shares of Face Value ₹ 10 each, for non-payment of final call money of ₹ 4. These shares were reissued at a discount of ₹ 5 and amount of ₹ 4500 was transferred to capital Reserve account. Pass the necessary journal entries to show the above transactions and prepare Share forfeited account. **4**

**22.** X, Y and Z were partners sharing profits and losses equally. Y died on 1st October, 2023 and total amount transferred to Y's executors was ₹ 15,60,000. Y's executors were being paid ₹ 3,60,000 immediately and balance was to be paid in four equal quarterly instalments, together with Interest @ 6% p.a. Pass entries till payment of first two **4**

Or

Varun and Vivek were partners in a firm sharing profits in the ratio of 3:2. The balance in their capital and current accounts as on 1st April, 2022 were as under:

| Particulars | Varun(₹) | Vivek(₹) |
|---|---|---|
| Capital accounts | 3,00,000 (Cr.) | 2,00,000 (Cr.) |
| Current accounts | 1,00,000 (Cr.) | 28,000 (Dr) |

The partnership deed provided that Varun was to be paid a salary of ₹ 5,000 p.m. whereas Vivek was to get a commission of ₹ 30,000 for the year. Interest on capital was to be allowed @ 8% p.a. whereas interest on drawings was to be charged @ 6% p.a. The drawings of Varun were ₹ 3,000 at the beginning of each quarter while Vivek withdrew ₹ 30,000 on 1st September, 2022. The net profit of the firm for the year, 2022-23, before making the above adjustments was ₹ 1,20,000.
Prepare Profit and Loss Appropriation Account and Partners' Capital and Current Accounts.

**25.** Sunny and Bobby were partners in a firm sharing profits and losses in the ratio of 3:2, their balance sheet as at 31st March, 2012: **6**

| ***Liabilities*** | | ***Amount*** | ***Assets*** | | ***Amount*** |
|---|---|---|---|---|---|
| Creditors | | 1,90,000 | Bank | | 5,000 |
| Bills Payable | | 1,10,000 | Fixed Deposits | | 70,000 |
| Employees provident fund | | 50,000 | Stock | | 86,000 |
| Mrs. Sunny's Loan | | 55,000 | Investments | | 1,04,000 |
| Bobby's Loan | | 85,000 | Debtors | 1,77,000 | |
| Investment Fluctuation Fund | | 30,000 | (-) Provision for D/D | 12,000 | 1,65,000 |
| Capitals: | | | Other Fixed Assets | | 3,80,000 |
| Sunny | 2,20,000 | | Deferred Revenue Expenditure | | 35,000 |
| Bobby | 1,20,000 | 3,40,000 | Sunny's Loan | | 15,000 |
| | | **8,60,000** | | | **8,60,000** |

The firm was dissolved on 31st March, 2012. The assets were realized and the liabilities were paid as under:

(a) Sunny promised to pay off Mrs. Sunny's Loan
(b) Bobby took away stock at 20% discount and 80% of the investments at 10% discount.
(c) Dharam, a debtor of Rs. 60,000 had to pay the amount due 2 months after the date of dissolution. He was allowed a discount of 9% p.a. for making immediate payment.
(d) Creditors were paid Rs.1,75,000 in full settlement of their claim.
(e) 90% of Other fixed assets realised Rs. 1,98,000 and remaining were realised at discount of 15%.
(f) Balance of investments were sold at 75% value and Fixed Deposits were realised at110%.
(g) There was an old furniture which has been written off completely from the books, Bobby took away the same for Rs. 41,000 against his loan and balance to