O. P. JINDAL SCHOOL, SAVITRI NAGAR

Periodic Test – III (Round – II) 2025 – 2026

Class / Section: XII Commerce | MM: 20

Subject: ACCOUNTANCY | Time: 1Hrs.

Name: _______________ | Roll No. : ____

General Instructions: All questions are compulsory.

Q.1 Answer the following Questions-**1x4= 4**

a. Match the following:

When assets are sold for cash [a]	(i) Bank A/c Dr To Realisation A/c
When an asset is taken over by a partner [b]	(ii) No entry
When the assets are given to any of the creditors towards the payment of his dues [c]	(iii) Partner Capital A/c Dr To Realisation A/c

Choose the correct option from below

(a) a(iii), b(ii), c(i) (b) a(i), b(iii), c(ii) c) a(ii), b(iii), c(i) (d) a(i), b(ii), c(iii)

b. Name the Account which is prepared for finding the profit or loss on getting amount from selling of all assets and paying amount of liabilities.

(a) Dr. side of Realisation Account (b) Dr. side of Revaluation Account

(c) Realisation Account (d) Cr. Side of Revaluation Account

c. What should be the journal entry when A takes over loan payable to Mrs. A ₹20000.

(a)	RealisationA/cDr. To A's CapitalA/c	20000 20000
(b)	Bank A/cDr. To A's CapitalA/c	58000 58000
(c)	RelisationA/cDr. To BankA/c	58000 58000
(d)	LoanA/cDr. To A's Capital A/c	58000 58000

d. A, B and C were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2018 their firm was dissolved. On that date provision for bad debts showed a balance of ₹ 4,500. Pass necessary journal entry for the treatment of provision for bad debts on the firm's dissolution.

Q.2 (i) As per which section of the Indian Partnership Act, 1932, at the suit of a partner, the Court may dissolve a firm?

(ii) At the time of the dissolution of the firm, how undistributed profits such as General Reserve, Credit Balance of P&L A/C are dealing with?

(iii) Write one difference between the Dissolution of Partnership and Dissolution of Partnership firm. **3**

Q.3 Aman and Harsh were partners in a firm. They decided to dissolve their firm. Pass necessary Journal entries for the following after various assets (other than Cash and Bank) and third party liabilities have been transferred to Realisation Account:

(a) There was furniture worth Rs.50,000. Aman took over 50% of the furniture at 10% discount and the remaining furniture was sold at 30% profit on book value.

(b) Profit and Loss Account was showing a credit balance of Rs. 15,000 on the date of dissolution.

(c) Harsh's loan of Rs. 6,000 was discharged at Rs. 6,200.

(d) There was a bill for Rs.1,200 under discount. The bill was received from Soham who proved insolvent and a first and final dividend of 25% was received from his estate.

(e) Creditors to whom the firm owed Rs. 6,000, accepted stock of ` 5,000 at a discount of 5% and the balance in cash. **3**

Q.4 Pass Journal entries in the following cases?

(a) Expenses of realisation Rs. 1,500.

(b) Expenses of realisation Rs. 600 but paid by Mohan, a partner.

(c) Mohan, one of the partners of the firm, was asked to look into the dissolution of the firm for which he was allowed a commission of Rs. 2,000.

(d) Realisation expenses of Rs. 15,000 were to be met by Rahul, a partner, but were paid by the firm.

(e) Ramesh, a partner, was paid remuneration of Rs. 25,000 and he was to meet all expenses. **4**

Q.5 The following is the Balance Sheet of A and B as on 31st December, 2016:

Liabilities	Amount Rs.	Assets		Amount Rs.
Sundry Creditors	30,000	Cash in Hand		8,500
Bills Payable	8,000	Stock in Trade		5,000
Mrs . A's Loan	5,000	Investments		10,000
Mrs. B's Loan	10,000	Debtors	20,000	
General Reserve	10,000	Less: Provision	2,000	18,000
Investment Fluctuation Fund	1,000	Plant		20,000
A's Capital	10,000	Building		15,000
B's Capital	10,000	Goodwill		4,000
		Profit & Loss A/c		3,500
	84,000			84,000

The firm was dissolved on 31st December, 2016 on the following terms: (a) A promised to pay Mrs. A's loan and took away stock in –trade at Rs. 4,000. (b) B took away half of the investments at 10% discount. (c) Debtors realized Rs. 19,000. (d) Creditors and bills payable were due on an average basis of one month after 31st December, but they were paid immediately on 31st December at 6% discount, p.a. (e) Plant realized Rs. 25,000, building Rs. 40, 000, goodwill Rs. 6,000 and remaining investments at Rs. 4,500. (f) There was an old typewriter in the firm which had been written off completely from the books, it was estimated to realize Rs. 300, it was taken away by B at this estimated price. You are required to prepare the (a) realization A/c (b) partners' capital A/cs and (c) cash A/c to close books of the firm. **6**

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