



INDIAN SCHOOL DARSAIT DEPARTMENT OF COMMERCE



Subject : Accountancy	Topic : Reconstitution of Partnership –Revaluation A/c	Date of Issue: __/__/2019 Worksheet No.5
Resource Person: Alexander Gee Varghese		Date of Submission: __/__/2019
Name of the Student : _____	Class & Division : XII _____	Roll Number : ____

I A and B are partners sharing profits and losses in the ratio 3:2. On 1st April 2015, they have decided to change the profit sharing ratio in to 1:1

Liabilities	`	Assets	`
Bills Payable	4,000	Cash	8,600
Workmen Compensation Fund	5,600	Sundry Debtors	30,000
Outstanding Expenses	3,000	Stock	20,000
Creditors	30,000	Machinery	40,000
Capitals :A	50,000	Furniture	4,000
B	60,000	Building	50,000
	1,52,600		1,52,600

They revalued the assets as follows.

- (i) Machinery valued at `60,000.
- (ii) Furniture depreciated by 10%
- (iii) Building appreciated and increased to `65,000.
- (iv) Stock to be under valued by `6,000.
- (v) Create a provision for bad debts @5%.
- (vi) Creditors not likely to be claimed `1,000. Outstanding expense valued at `2,500.

Prepare Revaluation account.

II. A and B are partners sharing profits and losses in the ratio 3:2. On 1st April 2015, they have decided to change the profit sharing ratio in to 1:1

Liabilities	`	Assets	`
Bills Payable	10,000	Cash	25,000
Outstanding Salaries	5,000	Sundry Debtors	20,000
Creditors	20,000	Stock	40,000
Bank overdraft	60,000	Motor Vehicle	80,000
Capitals :A	1,00,000	Plant & Machinery	60,000



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B	80,000	Investments	50,000
	2,75,000		2,75,000

They revalued the assets as follows.

- (i) Create a provision for outstanding repairs bill `1,400
- (ii) Mr.X who owes us `5,000 became insolvent and nothing is recovered from his estate.
- (iii) Create a provision for bad debts @10%.
- (iv) Creditors amounted to `2,000 is not likely to be claimed.
- (v) Create a discount on creditors @5%.
- (vi) Stock was overvalued by `10,000.
- (vii) Investment worth `20,000 taken over by A and B in their profit sharing ratio for `25,000.
- (viii) Motor vehicles depreciated and decreased to `60,000.
- (ix) There is a claim for damages `2,000.

Prepare Revaluation account.

- III. From the following details, show the Provision for bad debts amount in the Revaluation a/c.

	Debtors	40,000	
	Less Provision	2,200	37,800

- (i) Provision for bad debts found in excess by `500
- (ii) Provision for bad debts decreased to `1,400
- (iii) Provision for bad debts increased to `2,800
- (iv) Provision for bad debts is no longer necessary
- (v) Create a provision for bad debts up to 10%
- (vi) Create a provision for bad debts up to 5%.
- (vii) Write off bad debts `3,000.
- (viii) Write off bad debts `2,000 and create a PBDD@5%.
- (ix) Write off bad debts `1,600 and create a PBDD @10%.

- IV. A and B are partners sharing profits and losses in the ratio 3:2. On 1st April 2015, they have decided to change the profit sharing ratio in to 1:1

Liabilities	`	Assets	`
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Provision for Doubtful Debts	4,000	Cash	10,000
Creditors	15,000	Sundry Debtors	30,000
Outstanding Expenses	5,000	Stock	20,000
Bills Payable	11,000	Building	50,000
Capitals :A	80,000	Machinery	40,000
B	60,000	Furniture	25,000
	1,75,000		1,75,000

- (i) Write off Bad debts `7,000.
- (ii) Goods bought from Deepti on credit `5,000 not included in the creditors
- (iii) Create a discount on creditors @2%
- (iv) Sale of old newspaper `300 not recorded in the books of account.
- (v) Furniture worth `10,000 sold at a loss of 10%.
- (vi) Building sold for `75,000.
- (vii) Investments worth `8,000 earlier written off, now valued at `5,000.
- (viii) Salary outstanding `3,000.

Prepare Revaluation Account.