

Partnership Firm-Basic Concepts

Multiple choice questions carrying 1 Mark

Mark the correct option

1. In absence of Partnership Deed, following is followed :-

- a. Indian Partnership Act 1932
- b. Indian Partnership Act 1948
- c. Indian Companies Act 1932
- d. Indian Contract Act 1942

2. If the Profit sharing ratio is not mentioned, the profits are distributed

- a. In Capital Ratio
- b. among active Partners
- c. In equal ratio
- d. in a ratio decided mutually

3. In absence of the rate of Interest on Partners' Loan, it is allowed

- a. @ 12 % p.a.
- b. @ 6% p.a.
- c. @ 10% p.a.
- d. @ 5 % p.a.

4. State any two provisions of the Partnership Act which would be applicable in absence of Partnership deed.

5. Give two items appear to the debit side of Partner's Capital A/c when it is fixed.

Questions carrying 3 Marks

1. Define Partnership and state any 2 essential elements of Partnership.

Questions Carrying 4 Marks

1. A, B and C are in a firm sharing profits and losses in the ratio of 2:3:5. Their fixed Capital were Rs 500000; Rs 10,00,000 and Rs 15,00,000 respectively. For the year 2019 interest on Capital was credited to them at 12% p.a. instead of 10% p.a.. Showing your working clearly , pass necessary Journal Entry.
2. A and B sharing profits and losses in the ratio 3:2 . They took C in to the firm for $\frac{1}{6}^{\text{th}}$ share with the condition that his contribution to the firm's earning will not be less than Rs 25000 per year. The firm has earned a profit of Rs 1,20,000 to which C's contribution was Rs 19000 only. Prepare Profit and Loss Appropriation A/c.