Cambridge International School, Dasuya

VASAL EDUCATION®

Session 2025-2026
Worksheet

Class: 12th Subject:Accountancy Topic Retirement of a Partner

Name: Roll No: Section

Q.1. Shweta, Jaswinder and Mauli are partners sharing profits in proportion of 3/8,1/2 and 1/8 respectively. Shweta retires and surrenders 2/3 of her share in favour of Jaswinder and the remaining share in favour of Mauli.Calculate NPSR and GR of the remaining partners. (NPSR 3:1, GR 2:1)

Q.2. Rohaan, Raghunandan and Rohan are partners sharing profits in the ratio of 5:2:3.Raghunandan retired.Their GR was 2:3. Calculate NPSR of remaining partners. (29:21)

Q.3. Aditya, Anirudh, Prabhjot and Prabjot are partners in a fim sharing profits in the ratio of 2:2:2:1.On 31.01.2020 Prabjot retired .On Prabjotl's retirement the goodwill of the firm was valued at ₹70,000.The NPSR was agreed at 5:1:1Pass journal entry for treatment of goodwill.Show your working clearly.

Q.4. A, B and C are partners. C dies.His Capital A/c, after making the adjustments for reserves and profit on revaluation exists at ₹64,000.A and B have agreed to pay his executor's ₹80,000 in full settlement.Calculate goodwill of the firm and record journal entry for treatment of Goodwill on C's death.(Firm's GW ₹48,000)

Q.5. Harpreet, Ranveer and Sachveer are partners sharing profits in 3:2:1.Harpreet retires and the Balance Sheet of the firm on that was as follows:

Balance Sheet as on March 31, 2020

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors	50,000	Land and Building	2,70,000
General Reserve	90,000	Stock	30,000
Capital accounts		Cash and Bank Balance	15,000
Harpreet	1,00,000	Profit and Loss Account	30,000
Ranveer	55,000		
Sachveer	50,000		
	3,45,000		**3,45,000**

Pass necessary journal entries to record the treatment of accumulated profits and losses on Harpreet's retirement.

Q.6. Amarpreet, Balkaran and Abhishek are partners.Amarpreet retires on 31 March,2020.On that date, the balance sheet shows the following balances:Reserve Fund ₹30,000,Workmen's Compensation Fund ₹15,000.,Investment Fluctuation Fund ₹10,000,Investments ₹50,000,Stock ₹8,000,Patents ₹6,000,Machinery ₹1,00,000 and Goodwill ₹15,000..The following is agreed upon among the partners on Amarpreet's retirement:

(i) There is no liability on account of Workmen's Compensation Fund.
(ii) Reserve fund is not to be distributed.
(iii) Investments are valued at ₹46,000.
(iv) Stock is undervalued by 20%.

(v) Patents are valueless.
(vi) Machinery is depreciated by 20%.
(vii) Goodwill is valued at ₹60,000.
Record the necessary journal entries to the above effect.

Q.7. The balance sheet of Jasleen, Kriti and Saravjot who were sharing profits in the ratio of 5:3:2 is given below as on March 31,2020.

Balance Sheet as on March 31, 2020

Liabilities	Amount(₹)	Assets	Amount(₹)
Capitals:		Land	4,00,000
Jasleen	7,20,000	Building	3,80,000
Kriti	4,15,000	Plant and Machinery	4,65,000
Saravjot	3,45,000	Furniture and Fittings	77,000
Reserve Fund	1,80,000	Stock	1,85,000
Sundry Creditors	1,24,000	Sundry Debtors	1,72,000
Outstanding Expenses	16,000	Cash in Hand	1,21,000
	18,00,000		**18,00,000**

Kriti retires on the above date and the following adjustments are agreed upon her retirement:
(i) Stock was valued at ₹1,72,000.
(ii) Furniture and fittings were valued at ₹80,000.
(iii) An amount of ₹10,000 due from Himangee, a debtor, was doubtful and a provision for the same was required.
(iv) .Goodwill of the firm was valued at₹2,00,000.
(v) Kriti was paid ₹40,000 immediately on retirement and the balance was transferred to his loan account.
(vi) Jasleen and Saravjot were to share future profits in the ratio 3:2.
Prepare Revaluation a/c, Capital A/cs and Balance Sheet.
Adjustment of Capitals:
Case 1: When the capital of the new firm as decided by the partners is specified:
Step 1: Divide the given capital in NPSR in continuing partners
Step 2: Calculate the adjusted capitals of the partners.
Step 3: Compare the two. Any surplus or deficit will be adjusted through cash/ bank or current accounts as the case may be.

Q.8. The Balance Sheet of Akshita,Vanshika and Rijul who are partners in a firm sharing profits according to their capitals as on March, 31,2020 was as under:

Liabilities	**Amount(₹)**	**Assets**	**Amount(₹)**
Creditors	21,000	Buildings	1,00,000
Akshita's Capital	80,000	Machinery	50,000
Vanshika's Capital	40,000	Stock	18,000
Rijul's Capital	40,000	Debtors 20,000	
General Reserve	20,000	Less: Provision (1,000)	19,000
		Cash at Bank	14,000
	2,01,000		**2,01,000**

On that date, Vanshika decided to retire from the firm and was paid for his share in the firm subject to the following :
Buildings to be appreciated by 20%, Provision for Bad Debts to be increased to 15% on Debtors, Machinery to be depreciated by 20%.Goodwill of the firm is valued at ₹72,000 and the retiring partner's share is adjusted through the capital accounts of remaining partners, and the capital of the new firm be fixed at ₹1,20,000.
Prepare Revaluation a/c, Capital A/cs and Balance Sheet.
Case 2: When the continuing partners decide to adjust their capitals in the new profit sharing ratio, and the total capital of the new firm is not specified.

Step 1 : Calculate the adjusted capitals of the continuing partners
Step 2: Calculate the total capital of the new firm by adding the adjusted capitals
Step.3. Ascertain the new capital of the continuing partners by dividing the firm's capital in NPSR
Step 4: Compare the actual capital with adjusted capital and adjust the surplus or deficiency through Cash/ Bank or current accounts as the case may be.

Q.9. Sukhdeep, Manya and Komalpreet are partners in a firm sharing profits and losses in proportion of 1/2,1/6 and 1/3 resp.The Balance Sheet on April 1,2020 was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Bills Payable	12,000	Freehold Premises	40,000
Sundry Creditors	18,000	Machinery	30,000
Reserves	12,000	Furniture	12,000
Capital Accounts:		Stock	22,000
Sukhdeep	30,000	Sundry Debtors 20,000	
Manya	30,000	Less: Provision (1,000)	19,000
Komalpreet	28,000	Cash	7,000
	1,30,000		1,30,000

Komalpreet retires from the business and the partners agree to the following:
(1) Freehold Property and stock are to be appreciated by 20% and 15% resp.
(2) Machinery and Furniture re to be depreciated by 10% and 7%resp.
(3) Provision for doubtful debts is to be increased to ₹1,500.
(4) Goodwill is valued at ₹21,000 on Komal's retirement.
(5) The continuing partners have decided to adjust their capitals in their new profit sharing ratio, surplus or deficit to be adjusted through current accounts.
Prepare necessary ledger accounts and the Balance Sheet of the reconstituted firm.

Case III When the amount payable to the retiring partner is contributed by the continuing partners in such a manner that their capitals are adjusted proportionate to their new profit sharing ratio.
Step 1: Calculate total capital of the new firm = Sum of adjusted capitals of the continuing partners and the amount payable to the retiring partner
Step 2: Ascertain the new capital of the continuing partners by dividing the total capital of the new firm amongst the remaining partners as per the new profit sharing ratio
Step 3:Compare the new capital with the adjusted capital.Such excess or shortage is adjusted through cash/bank.

Eg: Vikas, Krish and Vasu are partners sharing profits sharing profits in the ratio of 40%,30% and 30% resp. After all adjustments,on Vikas's retirement with respect to General Reserve, Goodwill and revaluation, the balances in their capital accounts stood at ₹70,000,₹60,000 and ₹50,000 resp.It was decided that the amount payable to Vikas will be brought by Krish and Vasu in such a way as to make their capitals proportionate to their PSR.Calculate the amount to be brought by Krish and Vasu.

Solution: Total capital of the new firm = Krish's adjusted capital + Vasu's adjusted capital + Amount payable to Vikas
70,000 + 60,000 + 50,000 = 1,80,000

	Krish	Vasu
New Capital (1,80,000 in 1:1)	90,000 Krish	90,000 Vasu
Adjusted Capital	60,000	50,000
	30,000	40,000

Q.10. Harpreet, Kulvir and Harleen are partners in a firm sharing profits and losses in 5:3:2.On 31st March, 2020 their Balance Sheet was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors Employees Provident Fund Profit and Loss Account Capital:Harpreet Kulvir Harleen	60,000 40,000 1,00,000 3,00,000 2,50,000 3,50,000	Cash at Bank Sundry Debtors Stock Investments Fixed Assets	1,40,000 1,60,000 2,40,000 2,00,000 3,60,000
	11,00,000		11,00,000

On the above date,Harpreet retired and it was agreed that: (I) Fixed Assets will be reduced to ₹2,90,000 (ii) A provision of 5% on debtors for bad and doubtful debts will be created.(iii)Stock was to be valued at ₹2,18,000.Harpreet took over the stock at this value.(iv)Goodwill of the firm on Harpreet's retirement was valued at ₹8,00,000.(v) Harpreet was paid cash brought in by Kulvir and Harleen in such a way that their capitals became in profit sharing ratio and a balance of ₹58,000 was left in the bank.NPSR = 2:3.
Prepare Profit and Loss Adjustment a/c, Capital accounts, Balance Sheet.

Preparation of Loan Account of the retiring partner

Q.11. Ashima,Lovepreet and Prabhneet are partners. Lovepreet retires on 31.03.2016.On this date, their capitals were ₹80,000, ₹40,000 and ₹20,000 resp.Goodwill was valued at ₹45,000,General Reserve ₹30,000 and revaluation loss ₹15,000.Books are closed on 31st March.Prepare Lovepreet's loan account till it is finally paid:

(a)When payment is made in 4 yearly installments plus interest 12%p.a. on the unpaid balance, starting from 31.03.2017.

(b)When they agree to pay 3 yearly installments of ₹20,000 including interest @12%p.a. on the outstanding balance and the balance including interest in the fourth year.