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Answers Key:

8 Marks

1. Profit on Revaluation Rs.3,150 being A's share Rs.1,800 and Rs.1,350; For Goodwill: Dr.Premium Rs.3,500 Cr A Rs.2,000 and B Rs.1,500, Capital: A Rs.83,800 B Rs.62,850 and C Rs.20,950; Bank Balance Rs.37,450; Balance sheet Total Rs.1,97,600.
   [Hint: C's capital=1,46,650(Rs.83,800+62,850)X$\frac{8}{7}$X$\frac{1}{8}$=Rs.20,950]
2. Profit on Revaluation Rs.16,600 being A's share Rs.12,450 and B's share Rs.4,150; For Goodwill: Dr.C's current A/c Rs.6,000; Cr. A's Capital Rs.1,500; Balance of Capitals after adjustments: A Rs.74,450, B Rs.88,150 and C Rs.60,000 Balance of capital Rearranged : A Rs.1,35,000, B Rs.45,000 and C Rs.60,000. Balance of current A/cs:A Rs.60,550(Dr.), B Rs.43,150(Cr.) and C Rs.6,000(Dr.), Cash Balance Rs.70,000; Balance Sheet Total Rs.3,51,950.
   [Hint: New ratio 9:3:4]

6 Marks

3. C gains A sacrifices 3/10 share.Debit C and Credit A with Rs 18,000.
4. Profit on revaluation =RS.2,04,500
5. Profit sharing ratio=2:1:1; Loss on revaluation=RS.12,500 will first be debited to old partners in the ratio of 2:1:1 and then profit on restoring to original values will be credited to all partners in the ratio of 10:5:5:4.