

## AMALGAMATION OF PARTNERSHIP FIRMS

### Q State whether following statements are True or False

- 1 Goodwill should be written off in the approximate ratio between partners.
- 2 Accumulated losses are transferred to Suspense account.
- 3 Amalgamation of firms with Realisation Method is dealt in AS-41.
- 4 Purchase Consideration is paid by old firm to the new firm.
- 5 The vendor firm is not dissolved on amalgamation.
- 6 On amalgamation, assets and liabilities are transferred to Realisation account at book values..
- 7 When a liability is taken over by partner, partners capital account is credited.
- 8 Realisation expenses are debited to Partners loan account.
- 9 Profit on realisation is debited to Realisation account.
- 10 Credit balance on realisation shows profit on realisation.

### Q Match the following

	<b>GROUP "A"</b>		<b>GROUP "B"</b>
<b>(i)</b>	Realisation Account	<b>(a)</b>	Partners Capital A/c
<b>(ii)</b>	Purchase Consideration	<b>(b)</b>	Vendor Firm
<b>(iii)</b>	Accumulated profits/losses	<b>(c)</b>	Purchasing Firm
<b>(iv)</b>	Old firm (Transferor)	<b>(d)</b>	New Ratio
<b>(v)</b>	New firm (Transferee)	<b>(e)</b>	Agreed Value
		<b>(f)</b>	Book Balue