

**Questions Bank (2020-21)**

Class : SY.B.Com                      Sem- III                      Subject: Accountancy and Financial Management

**I. Partnership Final Account**

- Q1. Define Partnership .what are the main features of partnership account?
- Q2. Distinguish between Fixed capital & fluctuating capitals.
- Q3. Write a note on Profit & loss Appropriation A/c of a firm.
- Q4. Explain the adjustments required to be made when a new partner is admitted.  
(a) in the books of account and (b) in the final accounts.
- Q5. Explain the adjustments in accounts when a partner retires or dies.
- Q6. Write short notes on:
1. Fixed capital method
  2. Fluctuating Capital Method
  3. Interest on Drawings
  4. Accounting treatment for good will when raised in books on admission
  5. Accounting treatment for good will when brought by new partner in cash
  6. Retiring partner 's Dues
  7. P & L Appropriation A/c
  8. Any two Hidden Adjustment in Trial Balance

**II. Piecemeal Distribution**

- Q1. Describe the order in which outside liabilities are under piecemeal distribution.
- Q2. Describe how piecemeal distribution is more realistic than normal distribution of firm.
- Q3. How is surplus capital calculated under piecemeal distribution?
- Q4. Under what circumstances are the outside liabilities on a pro- rata basis?
- Q5. Write down any six liabilities of a partnership firm in the order of payment under piecemeal distribution,

Q6. Write short notes on:

1. Surplus Capital Method
2. Repayment of Partners' Capital under Excess Capital Method
3. Repayment of fully Secured Creditor under Piecemeal Distribution
4. Repayment of party Secured Creditor under Piecemeal distribution
5. Order of payment for Outside / External Liabilities under Piecemeal distribution
6. Repayment of Partners' Loan under piecemeal distribution
7. According Treatment for 'Partner taking over an Asset' under piecemeal distribution.
8. Proportionate Capital Method
9. Highest Relative Capital Method

### **III. Amalgamation of Partnership Firm**

- Q1. What do you mean by amalgamation? Explain, in brief, the accounting procedure in the books of the Vendor Firm, on amalgamation.
- Q2. What is 'Purchase Consideration'? How is it calculated?
- Q3. Who pays the purchase consideration and why is it paid?
- Q4. Discuss the treatment of realization expenses (a) paid by vendor firm and (b) paid by Purchasing Firm.
- Q5. Narrate accounting procedure for closing books of vendor firm using realization method.
- Q6. Write short notes on:
  1. Amalgamation of Firm
  2. Realization Method for Amalgamation of Firm
  3. Purchase Consideration
  4. Adjustment to Capital Balance in the books of Amalgamated Firm.

### **IV. Conversion/ Sale of a partnership firm into Company**

- Q1. Explain the procedure of conversion of partnership firm into Company.
- Q2. What do you mean by discharge of purchase consideration?
- Q3. Distinguish between conversion of firm into company and sale of firm to company.
- Q4. Explain the methods of purchase consideration.

- Q5. Explain the journal entries passed in the books of vendor firm.
- Q6. Explain the journal entries in the books of purchasing company taking over a firm.
- Q7. Write Short notes on :
1. Benefits of conversion of firm into company
  2. Conversion of firm into company
  3. Purchase Consideration
  4. Sale of firm to company

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