INDIAN SCHOOL AL WADI AL KABIR

Class: XII Accountancy	Department: Commerce
Worksheet (MCQs)	**Topic: Change in profit sharing ratio**

1. Reconstitution of partnership takes place in the following circumstances:
(A) Change in proft sharing ratio among existing partners.
(B) Admission of a new partner
(C) Retirement of an existing partner
(D) All of the above

2.A and B were partners in a firm sharing profit or loss equally. With effect from 1st April,2025 they agreed to share profits in the ratio of 4:3. Due to change in profit sharing ratio, A's gain or sacrifice will be:
(A) Gain 1/14
(B) Sacrifice 1/14
(C) Gain 4/7
(D) Sacrifice 3/7

3. A, B and C are partners sharing profits in the ratio of 4:3:2 decided to share profits equally. Goodwill of the firm is valued at ₹10,800. Adjusting entry for goodwill:
(A) A's Capital A/c Cr. by ₹4,800; B's Capital A/c Cr. by ₹3,600; C's Capital A/c Cr. by ₹2,400.
b) A's Capital A/c Cr. by ₹3,600; B's Capital A/c Cr. by ₹3,600; C's Capital A/c Cr. by ₹3,600
c) A's Capital A/c Dr. by ₹1,200; C's Capital A/c Cr. by ₹1,200
d) A's Capital A/c Cr. by ₹1,200; C's Capital A/c Dr. by ₹1,200

4. A, B and are partners in a firm sharing profits in the ratio of 3:4:1. They decided to share profits equally w.e.f 1st April, 2025. On that date the Profit and Loss Account showed the credit balance of ₹96,000. Instead of closing the Profit and Loss Account, it was decided to record an adjusting entry reflecting the change in profit sharing ratio. The Journal entry is:
(A) Dr. A by ₹4,000: Dr. B by ₹16,000; Cr C by ₹20,000
(B) Cr. A by ₹4,000; Cr B by ₹16,000: Dr C by ₹20,000
(C) Cr. A by ₹16,000: Cr B by ₹4,000; Dr. C by ₹20,000
(D) Dr. A by ₹16,000; Dr B by ₹4,000; Cr. C by ₹20,000

5. Red, Blue and White were partners in a firm sharing profits in the ratio of 1:2:2. They decided to share future profits in the ratio of 7:5:3 with effect from 1st April,2025. Their Balance Sheet as on that date showed a balance of ₹22,500 in Deferred Revenue Expenditure Account. The amount to be debited respectively to the capital accounts of Red, Blue and White for writing off Deferred Revenue Expenditure will be:
(A) ₹7,500, ₹7,500 and ₹7,500
(B) ₹4,500, ₹9,000 and ₹9,000

(C) ₹10,500, ₹7,500 and ₹4,500
(D) ₹11,250, Nil and ₹11,250

6. A, B and C are partner sharing profits in the ratio of 1:2:3. On 1-4-2025 they decided to share the profits equally. On the date there was a credit balance of ₹1,20,000 in their Profit and Loss Account and a balance of ₹1,80,000 in General Reserve Account. Instead of closing the General Reserve Account and Profit and Loss Account, It is decided to record an adjusting entry for the same. In the necessary adjustment entry to give effect to the above arrangement.
(A) Dr. A by ₹50,000; Cr B by ₹50,000
(B) Cr. A by ₹50,000; Dr B by ₹50,000
(C) Dr. A by ₹50,000; Cr C by ₹50,000
(D) Cr. A by ₹50,000; Dr C by ₹50,000

7. Rakesh and Vinod are partners sharing profits and losses in the ratio of 3:2. They changed their profit-sharing ratio to 2:3 w.e.f. 1st April, 2025. The assets were revalued, and liabilities were reassessed on that date which resulted in a gain of ₹80,000. It will be transferred to their Capital Accounts by
(A) Debiting Rakesh's Capital Account and Vinod's Capital Account by ₹40,000 each.
(B) Debiting Rakesh's Capital Account and Vinod's Capital Account by ₹80,000 each.
(C) Crediting Rakesh's Capital Account by ₹48,000 and Vinod's Capital Account by ₹32,000.
(D) Crediting Rakesh's Capital Account and Vinod's Capital Account by ₹80,000 each.

8. Maira, Rubayat and Akriti were partners sharing profits in the ratio of 2: 2:1. They decided to share future profits equally with effect from 1st April, 2025. Their Balance Sheet as on that date showed a balance of ₹50,000 in Investment Fluctuation Reserve Account while book value of investments was ₹1,00,000 and Market Value of these investments was ₹90,000. The amount of Investment Fluctuation Reserve that will be credited to capital accounts of Maira, Rubayat and Akriti will be:
(A) ₹20,000; ₹20,000, ₹10,000
(B) ₹16,000; ₹16,000, ₹8,000
(C) ₹30,000; ₹30,000; ₹30,000
(D) ₹13,334; ₹13,333; ₹13,333

9. Mamta, Daljit and Sonam are partners sharing profits equally which they changed to 2:2:1 w.e.f. 1st April, 2025. Their capitals on that date were ₹5,00,000 each. On that date, balances existed in the books: Workmen Compensation Reserve ₹2,00,000, against which Workmen Claim of ₹50,000 existed. They decided to distribute Workmen Compensation Reserve.
Workmen Compensation Reserve that will be credited to their Capital Accounts:
(A) ₹80,000; ₹80,000, ₹40,000
(B) ₹60,000; ₹ 60,000; ₹30,000
(C) ₹70,000, ₹40,000, ₹40,000
(D) ₹50,000; ₹50,000; ₹50,000