



# INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b>	<b>Department: Commerce</b>
<b>Worksheet No: 3</b>	<b>Topic: OTQ's DISSOLUTION OF PARTNERSHIP FIRM</b>

1. On dissolution of a firm, realisation account is debited with
  - (A) All assets to be realised
  - (B) All outside liabilities of the firm
  - (C) Cash received on sale of assets
  - (D) Any asset taken over by one of the partners

Ans: A
2. At the time of dissolution of firm, "Loan of partners" (Loans given by partners to the firm) is paid out of the amount realised on sale of assets :
  - (A) After making the payment of loans given by third party
  - (B) After making the payment of balance of Capital Accounts of partners
  - (C) After making the payment of above (A) and (B)
  - (D) Before the payment of loans given by third party

Ans: A
3. On firm's dissolution, which one of the following account should be prepared at the last?
  - (A) Realisation Account
  - (B) Partner's Capital Accounts
  - (C) Cash/Bank Account
  - (D) Partner's Loan Account

Ans: C
4. In the event of dissolution of a partnership firm, the provision for doubtful debts is transferred to:
  - (A) Realisation Account
  - (B) Partners Capital Accounts

(C) Sundry Debtors Account

(D) None of the above

Ans: A

5. On dissolution of a partnership firm, profit or loss on realisation is distributed among the partners

(A) In capital ratio

(B) In Profit sharing ratio

(C) Equally

(D) None of the above

Ans: B

6. Realisation A/c is a:

(A) Nominal A/c

(B) Real A/c

(C) Personal A/c

(D) Real A/c as well as Personal A/c

Ans: A

7. A partnership firm is compulsorily dissolved:

(A) When the business of the firm is declared illegal

(B) When a partner of the firm dies

(C) When a partner of the firm becomes insolvent

(D) When a partner transfers his share to some other person without the consent of other partners

Ans: A

8. On dissolution, goodwill account is transferred to:

(A) In the Capital Accounts of Partners

(B) On the credit of Cash Account

(C) On the Debit of Realisation Account

(D) On the Credit of Realisation Account

Ans: C

9. At the time of dissolution of partnership firm, fictitious assets are transferred to

(A) Capital Accounts of Partners

(B) Realisation Account

- (C) Cash Account
- (D) Partners' Loan Account

Ans: A

10. Change in the existing agreement between the partners is called:

- (A) Dissolution of Firm
- (B) Dissolution of Partnership
- (C) Dissolution of Business
- (D) All of the Above

Ans: B

11. On dissolution of a firm, its Balance Sheet revealed total creditors ₹50,000; Total Capital ₹48,000; Cash Balance ₹3,000. Its assets were realised at 12% less. Loss on realisation will be:

- (A) ₹6,000
- (B) ₹11,760
- (C) ₹11,400
- (D) ₹3,600

Ans: C

12. On firm's dissolution, when a partner voluntarily gives his personal asset to firms' creditor as payment, the account credited will be:

- (A) Realisation A/c
- (B) Partner's Capital A/c
- (C) Cash A/c
- (D) None of the Above

Ans: B

13. Sundry Creditors amounted to Rs. 8,000. These were paid at a discount of 5%.

Realisation account will be debited by

- (A) ₹8,000
- (B) ₹7,600
- (C) ₹400
- (D) ₹8,400

Ans: B

14. On dissolution of a firm, an unrecorded furniture of the value of ₹5,000 was taken up by a partner for ₹4,300. Which Account will be credited and by how much amount? :

- (A) Cash Account by ₹4,300

- (B) Realisation Account by ₹700
- (C) Partner's Capital Account by ₹5,000
- (D) Realisation Account by ₹4,300

Ans: D

15. While transferring assets to realisation account, ----- omitted to be transferred:

- (A) Patents
- (B) Goodwill
- (C) Cash
- (D) Investments

Ans: C

16. Anu, Bina and Charan are partners. The firm had given a loan of ₹20,000 to Bina. On the event of dissolution, the loan will be settled by:

- (A) Transferring it to debit side of Realization Account.
- (B) Transferring it to credit side of Realization Account.
- (C) Transferring it to debit side of Bina's Capital Account.
- (D) Bina paying Anu and Charan privately.

Ans: C

17. On dissolution of a firm, partners' capital accounts balance was ₹63,000; creditors balance was ₹12,000 and profit & loss account debit balance was ₹6,000. Profit on realisation of assets was ₹7,800. Total amount realised from assets was:

- (A) ₹81,000
- (B) ₹76,800
- (C) ₹70,800
- (D) None

Ans: B

18. On dissolution of a firm, firm's Balance Sheet total is ₹77,000. On the assets side of the Balance Sheet items were shown preliminary expenses ₹2,000; Profit & Loss Account (Debit) Balance ₹4,000 and Cash Balance ₹1,800. Loss on realisation was ₹6,300. Total assets (including cash balance) realised will be:

- (A) ₹69,200
- (B) ₹71,000
- (C) ₹64,700
- (D) ₹62,900

Ans: C

19. X, Y and Z are partners in a firm in the ratio of 4:3:2. On firm's dissolution, firm's total assets are ₹70,000, creditors are ₹15,000. Realisation expenses are ₹2,100. Assets realised 15% more than the book-value. Creditors were paid 2% more. For profit/loss on realisation, Y's capital account will be debited/credited with:
- (A) Credit ₹8,100
  - (B) Credit ₹2,700
  - (C) Debit ₹2,700
  - (D) Debit ₹2,400

Ans: B

20. On dissolution of firm, which item is debited to the realisation account?
- (A) Realisation expenses paid by partner
  - (B) Balance of reserve fund
  - (C) Amount of unrecorded asset
  - (D) Creditor's balance shown in the Balance Sheet.