**Q1)**

Two independent firms carrying on similar business under the name and style of M/s. Slow and Steady and Fast and Hasty decided to amalgamate on 1st January, 2013; when their respective Balance Sheet were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Slow&  Steady  Rs. | Fast &  Hasty  Rs. |  | Slow&  Steady  Rs. | Fast &  Hasty  Rs. |
| Slow’s Capital  Steady’s Capital  Fast’s Capital  Hasty Capital  Creditors  Mortgage Loan | 56,000  28,000  -  -  28,000  \_\_7,000  1,19,000 | -  -  33,600  22,400  35,000  \_\_\_\_\_\_\_  91,000 | Furniture  Buildings  Investments  Stock in trade  Debtors  Cash at bank | 5,600  56,000  -  28,560  21,000  \_\_7,840  1,19,000 | 7,000  -  21,000  25,620  28,000  9,380\_  91,000 |

**Terms of amalgamations were under:**

1. In case of Slow and Steady :
2. Slow and Steady should pay of its Mortgage Loans.
3. Goodwill was valued at Rs. 11,200.
4. Buildings were taken to be worth Rs. 70,000.
5. Stock to be depreciated by Rs. 5,600.
6. Provisions for doubtful debts, to be created at 5% on sundry debtors.
7. In case of Fast & Hasty :
8. Goodwill was valued at Rs 14,000.
9. Investment was not taken over by the firm.
10. Stock was valued at Rs. 23,420.
11. Of the Debtors 5% may be provided as doubtful debts reserve.
12. It was further decided that :
13. Total capital of the firm shall be Rs. 1,12,000 and capital of each partner shall be in profit sharing proportion i.e. 3:2 and 3:2 .Difference to be transferred to Current Accounts.
14. Goodwill Accounts in the new firm shall be written off.

Close the books of two firms by Realisation Method and show the Balance Sheet of the new firm. Pass necessary Journal Entries too.

**Q2)**

Two independent firms carrying on similar business under the name and style Tanaji & Baji and Yesaji and Hiroji decided to amalgamate on 1st July, 2013; when their respective Balance Sheet was as under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | Tanaji &  Baji  Rs. | Yesaji & Hiroji  Rs. | Assets | Tanaji &  Baji  Rs. | Yesaji & Hiroji  Rs. |
| Tanaji’s Capital  Baji’s Capital  Yesaji’s Capital  Hiroji’s Capital  Creditors  Mortgage Loan  Bills payable | 40,000  20,000  -  -  28,000  12,000  -\_\_\_\_\_\_\_  1,00,000 | -  -  35,000  28,000  35,000  -  22,000  1,20,000 | Buildings  Furniture  Stock  Debtors  Investments  Cash | 39,000  8,000  29,000  7,000  -  17,000  \_\_\_\_\_\_\_  1,00,000 | 36,000  20,000  24,000  22,000  8,000  10,000  \_\_\_\_\_\_\_  1,20,000 |

**Terms of amalgamation were as under:**

1. **For Tanaji & Baji**
2. Firm should pay its mortgage loan.
3. Buildings to be increased to Rs. 60,000.
4. Furniture recorded 20% below cost should be recorded at its cost price.
5. Stock to be reduced by Rs. 4,000.
6. Debtors should appear in the books at 95% of the book value.
7. Goodwill to be valued at Rs. 30,000.
8. **For Yesaji &Hiroji**
9. Goodwill to be valued at Rs20,000.
10. Investment not to be taken over by new firm.
11. Stock was recorded 20% above the Book Value. It is to be recorded at its original cost.
12. Reduce Debtors by 10%.
13. **It was further decided that :**

Total capital of the new firm is to be fixed at Rs. 1,50,000 and the profit sharing ratio 3:2:3:2 is to be maintained for individual capital contributions of the partners. An adjustment in this respect is to be done through Current Accounts.

1. **Goodwill account in the new firm is to be written off.**

Close Books of Tanaji & Baji and those of Yesaji and Hiroji by Realisation Method.

Prepare Capital accounts of the partners in the new firm.

**Q3)**

M/s. A& Co. having A& B as partners decided to amalgamate with M/s. C& Co. having C and D as partners on the following terms and conditions :

1. The new firm M/s.AC Co. to consider Goodwill of both the firm at Rs. 12,000 each.
2. The new firm to take over investments at 10% depreciation; debtors furniture at book value ; Premises at Rs. 53,000; ;land at Rs.66,800; machinery at Rs. 9,000 such cash which remained after discharge of partner’s loans by the respective old firms before amalgamation.
3. The new firm also assumed other liabilities of old firms.

The following were the Balance Sheet of both the firms on the date of amalgamation:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Liabilities | A& Co.  Rs | C& Co.  Rs | Assets | A& Co.  Rs | C& Co.  Rs | |
| Creditors  Bills Payable  Loans :  A  C  Reserve  Capitals:  A  B  C  D | 20,000  5,000  8,000  10,000  35,000  22,000  \_\_\_\_\_\_\_  1,00,000 | 10,000  10,000  4,000  36,000  20,000  80,000 | Cash  Investments  Debtors  Furniture  Premises  Land  Machinery  Goodwill | 15,000  10,000  9,000  12,000  30,000  15,000  9,000  \_\_\_\_\_\_\_  1,00,000 | 12,000  8,000  4,000  6,000  -  50,000  \_\_\_\_\_  80,000 |

You are required to close the books of A & Co. and C & Co. by preparing following Ledger Accounts in each case :

Realisation Account , Partner’s Capital Accounts and New Firm’s Account .

**Q4)**

Shri Bright and Shri White are in partnership as Briwhite Company . In the similar type of business, Shri Shine and Shri Fine are in partnership as Fineshine Company. It was agreed that on 1st January, 2012,the partnership be amalgamated into one firm ,Bright Shine Company. The profit sharing ratio’s in the different firm were to be as follows:

Bright White Shine Fine

Old Firms 4 3 3 2

New Firms 6 5 4 3

As on 31st December, 2012 the Balance Sheet of their enterprises were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | Briwhite  Co.  Rs. | Fineshine  Co.  Rs. | Assets | Briwhite  Co.  Rs. | Fineshine  Co.  Rs. |
| Capital Accounts:  Bright  White  Shine  Fine  Creditors  Bank overdraft | 30,600  22,.000  10,400  \_\_\_\_\_\_  63,000 | 22,600  14,800  12,000  1,800  51,200 | Property  Fixtures  Vehicles  Stock  Investment  Debtors  Bank Balance | 14,800  3,600  6,000  16,000  1,600  13,600  6,800  63,000 | 20,000  2,800  3,600  13,200  11,600  \_\_\_\_\_-  51,200 |

**The following are the clauses of agreement to amalgamate the firms:**

1. Provision for doubtful debts at the rate of 5% to be made in respect of debtors.
2. Rebate on the liabilities of creditors to be provided for at the rate of 2 ½ %.
3. New company to take over the old business assets as under:

|  |  |  |
| --- | --- | --- |
|  | Briwhite  Rs. | Fineshine  Rs. |
| Stock  Vehicles  Fixtures  Property  Goodwill | 16,900  5,600  3,200  20,000  12,600 | 12,780  2,600  -  -  9,000 |

1. The property and the fixtures of Fineshine Co. not taken over by the new firm realised Rs. 27,000 (on 1st January, 2013)
2. Shri White takes over Investment for Rs 1,520.
3. The Capital of the partners in the new firm to be Rs.1,08,000 and to be contributed by the partners in profit sharing ratio , and adjustments to be made in cash.
4. Remaining bank balance to be distributed between Fine and Shine in the Ratio 1:2.

You are required to prepare:

1. Realization accounts.
2. Partners Capital Accounts.
3. Bank Accounts.

**Q5)**

G Traders and H Traders were partnership firms and they decided to amalgamate. Their Balance sheets were as under as on 31st December, 2012.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | G Traders  Rs. | H Traders  Rs. | Assets | G Traders  Rs. | H Traders  Rs. |
| Creditors  Bills Payable  Loans :  F  I  Reserves  Capitals:  F  G  H  I | 12,000  5,000  10,000  10,000  35,000  22,000  -  \_\_\_\_\_\_-  94,000 | 18,000  -  -  8,000  4,000  -  -  36,000  20,000  86,000 | Cash  Furniture  Investments  Debtors  Premises  Land and building  Machinery  Goodwill | 16,000  5,700  10,000  9,000  30,000  -  15,000  8,300  \_\_\_\_\_\_  94,000 | 17,000  6,000  8,400  4,600  -  50,000  -  -  \_\_\_\_\_\_  86,000 |

**The amalgamation was made on the following terms:**

1. The new firm called GH Traders decided to value goodwill of both firm at Rs. 12,000 each.
2. For G Trader the firm took Investments and Debtors at book Values .Premises at Rs.53,000 and Machinery at Rs.9,300 Furniture was not taken over by the new firm .
3. For H traders, the new firm took furniture and Debtors at book Value, Land and Building at Rs 67,000 Investments were not taken over by the new firm.
4. The new firm agreed to take such cash after payments of loans made by each firms.
5. Trade Creditors of each firm were taken over by new firm.

Prepare Realisation Account and Partner’s Capital Accounts in the books of each firm and Balance Sheet in the books of the new firm.