

**BOARD-PATTERN PRACTICE PAPER · CBSE CLASS 12**

# Reconstitution of Partnership: Retirement and Death of a Partner

Accountancy · Chapter 4 · Matches current CBSE blueprint · Each question PYQ-sourced where indicated

DATE	TOTAL MARKS 40	DURATION 75 min	MARKING As per board	TARGET ≥ 32/40
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**GENERAL INSTRUCTIONS**

- All questions compulsory.
- Working notes mandatory — auto -1 if missing.
- Maintain T-format for Revaluation, Capital A/cs and Executor's A/c.
- State amount due to retiring/deceased partner with ₹ symbol.

**Section A — VSA (1 mark × 4)**

**4 MARKS · 8 MIN**

- Q1.** How is the gaining ratio calculated on retirement of a partner? [PYQ 2019 Delhi] **[1 mark]**
- Q2.** In whose ratio is the retiring partner compensated for his share of goodwill? [PYQ 2022 All India] **[1 mark]**
- Q3.** What is the default rate of interest under Section 37 of the Indian Partnership Act 1932 on the amount due to an outgoing partner? [PYQ 2023 All India] **[1 mark]**
- Q4.** In which ratio is the profit on revaluation distributed on the retirement of a partner? [PYQ 2020 Delhi] **[1 mark]**

**Section B — SA-I (2 marks × 3)**

**6 MARKS · 12 MIN**

- Q5.** A, B and C are partners sharing profits 5 : 3 : 2. C retires. A takes 3/4 of C's share and B takes 1/4 of C's share. Calculate the new profit-sharing ratio and the gaining ratio. [PYQ 2024 All India] **[2 marks]**
- Q6.** X, Y and Z share profits 5 : 3 : 2. Z retires. The firm's goodwill is valued at ₹ 1,50,000 and the gaining ratio of X and Y is 3 : 1. Pass the journal entry adjusting goodwill. [PYQ 2022 Delhi] **[2 marks]**
- Q7.** P, Q and R share profits 4 : 3 : 2. R died on 30 June 2025; last year's profit was ₹ 90,000. The firm's financial year ends on 31 March 2026. Compute R's share of profit up to the date of death on the TIME basis. [PYQ 2019 All India] **[2 marks]**

**Section C — SA-II (3 marks × 3)**

**9 MARKS · 18 MIN**

- Q8.** Distinguish between sacrificing ratio and gaining ratio on any three bases. [PYQ 2020 Outside Delhi] **[3 marks]**
- Q9.** A, B and C share profits 5 : 3 : 2. C retires. On the date of retirement: Stock is reduced by ₹ 4,000; a provision for doubtful debts of ₹ 2,000 is created; Building is appreciated by ₹ 21,000; an unrecorded creditor of ₹ 3,000 is brought into the books. Prepare the Revaluation Account and show how the balance is transferred. [PYQ 2021 Delhi] **[3 marks]**
- Q10.** Explain the treatment of (i) goodwill on the retirement of a partner under AS-26, (ii) a Joint Life Policy on the death of a partner, and (iii) interest on the unpaid amount due to a retiring partner when the partnership deed is silent. [PYQ 2024 Delhi] **[3 marks]**

**Section D — Long Answer (Numerical) (8-13 marks)**

**21 MARKS · 37 MIN**

- Q11.** A, B and C are partners sharing profits in the ratio 5 : 3 : 2. Their Balance Sheet as on 31 March 2025 stood at — Liabilities: Creditors ₹ 40,000; General Reserve ₹ 30,000; Capital A/cs: A ₹ 1,00,000, B ₹ 80,000, C ₹ 60,000 (total ₹ 2,40,000). Total ₹ 3,10,000. Assets: Building ₹ 1,20,000; Stock ₹ 50,000; Debtors ₹ 40,000; Cash ₹ 1,00,000. Total ₹ 3,10,000. C retires on the following terms: (a) Building is appreciated by ₹ 21,000; Stock is reduced by ₹ 4,000. (b) A provision for doubtful debts of ₹ 2,000 is created on Debtors. (c) An unrecorded creditor of ₹ 3,000 is to be brought into the books. (d) Firm's goodwill is valued at ₹ 1,50,000; A and B will share future profits in the ratio 13 : 7 (gaining ratio 3 : 1). (e) The amount due to C is to be transferred to his Loan Account. Prepare the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm. [PYQ 2023 All India] **[13 marks]**
- Q12.** Explain the matters that require adjustment at the time of retirement of a partner and the modes by which the amount due to him may be settled. [PYQ 2019 Delhi] **[8 marks]**

