

Worksheet – 1
Profit and Loss Appropriation Account

1. ARUN AND Arora were partners in a firm sharing profits in the ratio of 5:3. Their fixed capitals on 1st April, 2021 were: Arun ₹ 60,000 and Arora ₹ 80,000. They agreed to allow interest on capital @12% p.a. and to charge on drawings @15% p.a. Profits of the firm for the year ended 31st March, 2022 before all adjustments was ₹ 12,600. Drawings made by Arun were ₹2,000 and by Arora ₹4,000 during the year. Prepare profit and loss Appropriation Account of Arun and Arora. Show your calculations carefully. The interest on capital will be allowed even if the firm incur loss.
2. Prem and Manoj are partners in a firm sharing profits in the ration of 3:2. The partnership Deed provided that Prem was to be paid salary of ₹2,500 per month and Manoj was to get a commission of ₹ 10,000 per year. Interest on capital was to be allowed @5% p.a. and interest on drawings was to be charged @6% p.a. Interest on Prem's drawing was ₹1,250 and Manoj's drawings was ₹425. Interest on capital of the partners of the partners were ₹10,000 and ₹ 7,500 respectively. The firm's net profit for the year ended 31st march 2019 was ₹90,575. Prepare profit loss appropriation account.
3. X, Y and Z are partners sharing profits in the ration of 2:2:1. Fixed capitals of the partners were X ₹ 5,00,000; Y - ₹5,00,000 and Z - ₹2,50,000 respectively. The partnership deed provides that interest on capital is to be allowed @10% p.a. Z allowed salary of ₹ 2,000 per month. Profit for the year ended 31st march, 2022 after debiting Z' salary was ₹4,00,000. Prepare profit loss account (Hint: In this case Z's salary will be added to Net profit and after it will be shown in p/L appropriation account)
4. A and B are partners. A's capital is ₹1,00,000 and B's capital is ₹60,000. Interest on capital is payable @6% p.a. B is to get

salary of ₹3,000 per month. Net profit for the year is ₹80,000.
Prepare profit loss appropriation account.

5. Shiv and Hari entered into partnership on 1st April, 2021, contributing ₹5,00,000 and ₹2,00,000 respectively, Hari also introduced ₹1,00,000 as additional capital on 1st July 2021. They agreed to share profits and losses in the ratio of 3:2. Following information is provided regarding partnership:
- I. Shiv and Hari each allowed a salary of ₹5,000 per quarter.
 - II. Interest is to be allowed on capitals @8% p.a. and charged on drawings at 10% p.a.
 - III. Drawings of Shiv and Hari during the year were ₹12,000 and ₹10,000 respectively. Profit as at 31st March 2022 before the above-mentioned adjustments was ₹1,96,000. Prepare profit/loss appropriation account.

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