

## Worksheet – 9

### Past Adjustments

1. Reya, Mona and Nisha shared profits in the ratio of 3:2:1. The profits for the last three years were 1,40,000; 84,000; 1,06,000 respectively. These profits were by mistake shared equally. It is now decided to correct the error.
2. P and Q were partners in a firm sharing profits and losses equally. Their fixed capitals were 2,00,000 and 3,00,000 respectively. The partnership deed provided for interest on capital @12% per annum. For the year ended 31<sup>st</sup> march 2016, the profits of the firm were distributed without providing interest on capital. Pass necessary adjustment entry to rectify the error.
3. Azad and Benny are equal partners. Their capitals are 40,000 and 80,000 respectively. After the accounts for the year had been prepared, it was noticed that interest on capital @5% pa as provided in partnership deed was not credited to their capital accounts before distribution of profits. It is decided to pass an adjustment entry in the beginning of next year. Record the necessary journal entry.
4. Mita and Usha are partners in a firm sharing profits in the ratio of 2:3. Their capital Accounts as on 1<sup>st</sup> April 2021 showed the balances of 1,40,000 and 1,20,000 respectively. The drawings of Mita and Usha during the year 2021-22 were 32,000 and 24,000 respectively. Both the amounts were withdrawn on 1<sup>st</sup>

January 2022. It was subsequently found that the following items had been omitted while preparing the final accounts for the year ended 31<sup>st</sup> March 2022:

- a) Interest on Capital @6% pa.
- b) Interest on Drawings @6% pa.
- c) Mita was entitled to commission of 8,000 for the whole year.

Showing you working clearly pass a rectifying entry in the books of the firm.

5. Capitals of A, B and C as on 31<sup>st</sup> March 2021, amounted to 90,000 3,30,000 and 6,60,000 respectively. Profits of 1,80,000 for the year ended 31<sup>st</sup> March 2022 was distributed in the ratio of 4:1:1 after allowing interest on capital @10% pa. During the year each partner withdrew 3,60,000. The partnership deed was silent as to profit sharing ratio but provided for interest on capital @12%.  
Pass the necessary adjustment entry showing the working clearly.