



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 27

Sub: Accountancy

Class: XII

Chapter: Unit 2: Reconstruction of Partnership

F.M.: 15

Topic: Admission of Partner 3

Date: 29/06/2020

Choose the correct alternatives:

1 x 15 =15

1. Premium for goodwill means
(a) total goodwill of the firm; (b) goodwill of the old partners; **(c) share of goodwill of the new partner;**
(d) none of these.
2. If the new partner pays premium for goodwill privately, then
(a) no accounting treatment is required; (b) accounting treatment is required; (c) goodwill account is debited; (d) none of these.
3. Premium for goodwill is brought in by
(a) one old partner; (b) all old partners; **(c) new partner;** (d) none of these.
4. Premium for goodwill can only be brought in
(a) cash; (b) kind; **(c) both cash and kind;** (d) none of these.
5. Premium for goodwill comes into the balance sheet as
(a) goodwill; **(b) cash or other assets;** (c) does not come; (d) none of these.
6. If the new partner fails to bring premium for goodwill, then
(a) capital adjustment is made; (b) new partner's current account is debited; (c) old partners capitals are credited; **(d) all of these.**
7. Goodwill is
(a) tangible fixed asset; **(b) intangible fixed asset;** (c) fictitious asset; (d) current asset.
8. If new partner brings an elephant as his/her premium for goodwill, then
(a) elephant account is to be debited; (b) cash account is to be debited; **(c) livestock account is to be debited;** (d) none of these.
9. Premium for goodwill is distributed among the old partners in
(a) sacrificing ratio; (b) gaining ratio; (c) new profit sharing ratio; (d) old profit sharing ratio.
10. A new partner can enter into a partnership business
(a) with capital; (b) without capital; **(c) with or without capital;** (d) none of these.
11. Capital is
(a) asset to the business; **(b) liability to the business;** (c) income to the business; (d) none of these.
12. In problem 1, new partner is admitted for
(a) $\frac{1}{4}$ th share; (b) $\frac{1}{5}$ th share; (c) no share; (d) full share.
13. In problem 1, new partner brings capital of
(a) ₹30,000; **(b) ₹1,00,000;** (c) ₹40,000; (d) none of these.
14. In problem 1, new partner brings premium for goodwill of
(a) ₹30,000; (b) ₹1,00,000; (c) ₹40,000; (d) none of these.
15. In problem 1, sacrificing ratio is
(a) 2:3; **(b) 3:2;** (c) 1:1; (d) none of these.

Compiled by
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