



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 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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