

- 1 a) not allowed
  - b) not allowed
  - c) allowed @ 6%
  - d) equally
  - e) not charged
  - f) not charged
- 

- 2 a) not allowed
  - b) not allowed
  - c) not charged
  - d) To be distributed equally
- 

- 3 a) P must give to the firm
  - b) Firm will not borne. Q to bear personally
  - c) Goods can be purchased from Star Ltd. We have not learned any such rule.
  - d) W cannot be admitted
  - e) Interest @ 6% allowed
- 

- 4 a) Not allowed
- b) Not allowed

- c) Not charged  
d) Not charged

5

Interest @ 6% on loan will be allowed to A	
Loan amount	8000
Interest rate	6%
Loan date	01-Oct-21
Interest period (Months)	6
Interest	240

Net Profit	15000
Less - Interest	240
Profit	14760
A's share in profits	7380
B's share in profits	7380

Profit & Loss Appropriation A/c			
Particulars	Amount	Particulars	Amount
To Profit Transferred :		By Net profit	14760
A's Capital A/c	7380	(After Interest on Loan)	
B's Capital A/c	7380		
	14760		
Total	<u>14760</u>	Total	<u>14760</u>

14760

**Note :**

Interest on Loan @ 6%  
Profits divided equally

6

**Calculation of Interest on Harshad loan**

Amount of loan 100000

Interest Rate	6% per annum
Date of Loan	01-Oct-21
Period for interest (months)	6 ( Oct-2021 to Mar-2022)
Interest Amount	3000 (100000X6%X6/12)

#### Calculation of profit transferred to P & L Appropriation A/c

Net profit before interest on loan (given)	180000
Less - Interest on Loan o Harshad	3000
Balance ttransferred to P & L appropriation A/c	177000

Profit & Loss Appropriation A/c			
Particulars	Amount	Particulars	Amount
To Profit Transferred :		By Net profit	177000
Harshad Capital A/c	88500	(After Interest on Loan for 6 months)	
Dhiman Capital A/c	88500		
	177000		
Total	<u>177000</u>	Total	<u>177000</u>

Note :

#### Harshad claims

- no interets on capital allowed  
Interest on loan will be allowed @ 6%
- Profit shoule be distributed equally

#### Dhiman Claims

- Correct

- ii) no remuneration allowed
  - iii) no interests on capital allowed
- Interest on loan will be allowed @ 6%

7	Total Loan		30000		30000*3/5 30000*2/5
		Profit ratio	Loan Amount	Interest @ 6%	
	Loan by Sita	3	18000	540	
	Loan by Geeta	2	12000	360	

Note : Loan is given on 01-Oct-2021 so interest payable for 6 months only

#### 8      Calulation of Interest on Loan

Partner	Amount	Date	Period (Months)	Interest @ 6%
X	80000	01-Oct-21	6	2400
Y	40000	01-Oct-21	6	1200
<b>Total Interest on Loan</b>				<b>3600</b>

Case	Profit/Loss Before Interest	Interest	Profit/Loss after Interest	Share of Profits	
				X(2/5)	Y(3/5)
1	21000	3600	17400	6960	10440
2	3000	3600	-600	-240	-360
3	5000	3600	1400	560	840

4	-1400	3600	-5000	-2000	-3000
---	-------	------	-------	-------	-------

9 **Calulation of Interest on Loan**

Partner	Amount	Date	Period (Months)	Interest @ 6%
Bat	240000	01-Oct-21	6	7200
Ball	120000	01-Oct-21	6	3600
<b>Total</b>				<b>10800</b>
Loss Before Interest and rent				9000
Add - Charge against profits				
- Interest on Loan				10800
- Rent to Bat				60000
<b>Total distributable Loss (Transfer to P &amp; L Appropriation A/c)</b>				<b>79800</b>
Share of Bat				31920
Share of Ball				47880

10 **Calulation of Interest on Loan**

Partner	Amount	Date	Period (Months)	Interest
Loan by Akhil to Firm	100000	01-Oct-21	6	3000
Loan by Firm to Bimal	100000	01-Oct-21	6	0

	<b>Total</b>	<b>3000</b>
Profit before above adjustments		103000
Less - Charge against profits		
- Interest on Loan by akhil		3000
- Rent to Akhil		60000
<b>Total distributable Profit (Transfer to P &amp; L Appropriation A/c)</b>		<b>40000</b>
Share of Akhil		24000
Share of Bimal		16000

