

**1** Old Profit Sharing Ratio

X	Y	Z
1/2	2/5	1/10
5	4	1

 Or

**Z Dies**

The new profit sharing ratio is not given

Also the ratio in which the share acquired (Gaining ratio) is not given

So the remaining partners will share in their old profit sharing ratio

New Profit Sharing ratio

X	Y
5	4

**2 (a)** Old Profit Sharing Ratio

Shiv	Mohan	Hari	Total
5	5	4	14

**Mohan Died**

His share taken by remaining partners in the ratio 1:1

Share taken by Shiv out of Mohan's Share  $5/14 * 1/2$

5/28
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Share taken by Hari out of Mohan's Share  $5/14 * 1/2$ 

5/28
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Shiv's New share  $5/14 + 5/28$ 

15/28
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Hari's New Share  $4/14 + 5/28$ 

13/28
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Thus, New profit sharing ratio

Shiv	Hari
15	13

**2 (b)** Old Profit Sharing Ratio

P	Q	R
5	4	1

**P died**

The new profit sharing ratio is not given  
Also the ratio in which the share acquired is not given  
So the remaining partners will share in their old profit sharing ratio

New Profit Sharing ratio

Q	R
4	1

**3** Old Profit Sharing Ratio

R	S	M
2/5	2/5	1/5
2	2	1

 Or

**M Died**

His share taken by remaining partners in the ratio 1:2

Share taken by R out of M's Share	$1/5 * 1/3$	$1/15$
Share taken by S out of M's Share	$1/5 * 2/3$	$2/15$

R's New share	$2/5 + 1/15$	$7/15$
S's New Share	$2/5 + 2/15$	$8/15$

Thus, New profit sharing ratio

R	S
7	8

4 Old profit sharing ratio

A	B	C	Total
4	3	2	9

**A Died**

New Profit sharing ratio

B	C	Total
2	1	3

Gaining ratio = New ratio - old ratio

B's gaining ratio	$2/3 - 3/9$	$1/3$
C's Gaining Ratio	$1/3 - 2/9$	$1/9$

Final Gaining ratio

B	C
3	1

5 (a) Old profit sharing ratio

W	X	Y	Z
1/3	1/6	1/3	1/6
2	1	2	1

Or

**Y died**

New Profit sharing ratio

W	X	Z
1	1	1

Gaining ratio = New ratio - old ratio

W's gaining ratio

$1/3 - 2/6$	0
$1/3 - 1/6$	1/6
$1/3 - 1/6$	1/6

X's Gaining Ratio

Z's Gaining Ratio

Final Gaining ratio

W	X	Z
0	1	1

5 (b) Old profit sharing ratio

A	B	C
4	3	2

**C died**

A acquires 4/9 of C's share

$$4/9 * 2/9$$

8/81
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So, balance of C's share is acquired by B

$$2/9 - 8/81$$

10/81
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A's new share

$$4/9 + 8/81$$

44/81

B's New share

$$3/9 + 10/81$$

37/81

New Profit sharing ratio

A	B	Total
44	37	81

Gaining Ratio

A	B
8/81	10/81
4	5

6 Old profit sharing ratio

Keshav	Nirmal	Pankaj
5	3	2

**Pankaj died**

Keshav acquires share of Pankaj

1/5

Keshav's new share

$$5/10 + 1/5$$

7/10

New Profit sharing ratio

Keshav	Nirmal	Total
7/10	3/10	
7	3	10

7 Calculation of deceased partner profit share upto the date of death

Previous year Profit (12 months)	150000
Assumed profits upto 30-Jun-2022 (3 months)	37500 (150000 X 3 / 12)
Y's share in profits	1/3
Y's share in profits till the date of death	12500

**Journal Entry**

Date	Particulars	Dr Amt	Cr Amt
30-Jun-22	Profit and Loss Suspence A/c Dr.. To Y's Capital A/c (Being deceased partner share of profit upto date of death)	12500	12500

**Calculation of Goodwill**

Value of Goodwill of he firm	60000
Y's share in profits	1/3
Y's share in goodwill	20000

**Journal Entry**

Date	Particulars	Dr Amt	Cr Amt
30-Jun-22	X's Capital A/c Dr.. Z's Capital A/c Dr..	15000 5000	

	To Y's Capital A/c (Being deceased partner share of profit upto date of death)		20000
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**Working Note :**

The gaining ratio between X and Z is 3:1 which is the same as old ratio

**8 Calculation of deceased partner profit share upto the date of death**

Previous year loss (12 months)	1500000
Assumed loss upto 30-Jun-2021 (3 months)	375000 (1500000 X 3 / 12)
B's share in loss	1/3
B's share in loss till the date of death	125000 (375000 X 1/3)

**Journal Entry**

Date	Particulars	Dr Amt	Cr Amt
30-Jun-21	B's Capital A/c Dr.. To Profit and Loss Suspence A/c (Being deceased partner share of loss upto date of death)	125000	125000

**Calculation of Goodwill**

Value of Goodwill of he firm	600000
B's share in profits	1/3
B's share in goodwill	200000

**Journal Entry**

Date	Particulars	Dr Amt	Cr Amt
30-Jun-21	A's Capital A/c Dr..	150000	
	C's Capital A/c Dr..	50000	
	To B's Capital A/c		200000
	(Being deceased partner share of goodwill adjusted)		

**Working Note :**

The gaining ratio between X and Z is 3:1 which is the same as old ratio

9	Profits for the year ended 31-Dec-2018	120000
	Profits for the year ended 31-Dec-2019	80000
	Profits for the year ended 31-Dec-2020	40000
	Profits for the year ended 31-Dec-2021	80000
	Total Profits for last 4 years	320000
	R's share in profits	3/8
	Profits credited to R during last 4 years	120000



R's share of goodwill (1/2 of the profits credited)

60000

### Journal Entry

Date	Particulars	Dr Amt	Cr Amt
1-Jan-21	P's Capital A/c Dr..	48000	
	S's Capital A/c Dr..	12000	
	To R's Capital A/c		60000
	(Being deceased partner share of goodwill adjusted)		

### Working Note :

The gaining ratio between X and Z is 4:1 which is the same as old ratio

10 Firm closes books of accounts on 31st March every year

Navita died on 30-Jun-2017

Sales from start of Financial Year upto her date of death is Rs 600000 (Given)

Profit ratio on sales is 10%

Profits from start of Financial Year upto her date of death =

$600000 \times 10 / 100$   
Rs 60000

Navita Share in Profits

1/3

Navita share in profits till date of death will be

$60000 \times 1/3$

Rs 20000

Journal entries are not required in question. Given here just for information :

30-Jun-17	Profit and Loss Suspence A/c	Dr..	20000	
	To Navita Capital A/c			20000

31-Mar-18	Profit and Loss Appr A/c	Dr..	20000	
	To Profit and Loss Suspence A/c			20000