

19. Under fixed capital method, all the transactions relating to a partner are recorded in a separate account called _____ Account.
20. There is not much difference in the final accounts of a sole proprietary concern and that of a _____

II. Multiple Choice Questions:

- The agreement between the partner should be in:
 - Oral
 - Written
 - Oral or Written
 - None of the above
- Partnership deeds contains;
 - Name of firm
 - Name and address of the partners
 - Profit and loss sharing ratio
 - All of the above
- If any partner has advanced some money to the firm beyond the amount of his capital, he shall be entitled to get interest on the amount at the rate of :
 - 5% p.a.
 - 6% p.a.
 - 8% p.a.
 - None of the above
- Interest on capital is generally provided for in that situations when:
 - The partners contribute unequal amounts of capital but share profits equally.
 - The capital contribution is same but profit sharing is unequal
 - Both the situations above.
 - None of the above.
- When fixed amount is withdrawn on the first day of every month, interest on total amount for the year ending will be calculated for:
 - 2 & 1/2 months
 - 4 & 1/2 months
 - 6 & 1/2 months
 - None of the above
- When varying amounts are withdrawn at different intervals, the int. is calculated using:
 - Simple Method
 - Average Method
 - Product Method
 - None of the above
- Adjustment for correction of omission and commission can be made:
 - Profit and loss Adjustment account
 - Directly in the Capital Accounts of concerned partners
 - Both the situations above.
 - None of the above
- In order to form a Partnership there should be at least:
 - One person
 - Two persons
 - Seven persons
 - None of the above

9. The business of a partnership concern may be carried on by:
 - a) All the partners
 - b) Any of them acting for all
 - c) All Partners or any of them acting for all
 - d) None of the above
10. The agreement between Partners must be to share:
 - a) Profits
 - b) Losses
 - c) Profits and losses
 - d) None of the above
11. The liability of a Partner for acts of the firm is:
 - a) Limited
 - b) Unlimited
 - c) Both the above.
 - d) None of the above
12. The partnership Deed should be properly drafted and prepared as per the provisions of the:
 - a) Partnership Act.
 - b) Stamp Act
 - c) Companies Act
 - d) None of the above
13. The clauses of Partnership Deed can be altered with the consent of:
 - a) Two Partners
 - b) Ten Partners
 - c) Twenty Partners
 - d) All partners

II. True or False Questions:

1. The agreement between partners must be in writing.
2. The clauses of partnership deed can be altered with the consent of all the Partners.
3. If the partnership deed is silent about the profit sharing ratio, the profit and loss of the firm is to be shared equally.
4. A partner is entitled to claim interest at the rate of 10% p.a. on the amount of capital contributed by him, if there is no agreement in the firm.
5. In the absence of Partnership Deed, no partner is entitled to get salary.
6. Under fixed capital method the Partner's Capital Accounts will always show a credit balance.
7. Under Fixed Capital Method the Partners' Capital Accounts will always show a debit balance.
8. P/L Appropriation A/c shows how the profits are appropriated among the partners.
9. When fixed amount is withdrawn during the middle of every month, interest on total amount is calculated for 6 months.
10. If there is loss, no interest on capital is to be paid to partners, even if there is a provision in Partnership Deed.
11. Accounting treatment for Partnership is similar to that of a sole Proprietorship Business.

12. There are two methods by which the capital accounts of partners can be maintained.
13. Profit and Loss appropriation account is merely an extension of the Profit and Loss Account of a firm.
14. Interest on partners capital is debited to Partners' Capital Accounts.
15. In case of Guarantee of profit to a partner, assurance may be given by only one partner.

IV. Very Short Answer Questions:

1. Who is a Partner?
2. What do you mean by Partnership Firm?
3. State any one features of Partnership.
4. What is the minimum number of partners in a firm?
5. Name any one contents of Partnership Deed.
6. Name any one method of maintaining capital accounts of Partners.
7. Name any one final accounts of partnership firm.
8. How do you distribute profit or loss among the partners in the absence of partnership deed?
9. Why the Profit and Loss Appropriation account is prepared?
10. At what rate Interest on advances by Partners is to be paid as per Partnership Act?
11. When interest is charged on partners drawings?
12. When Partners Current Accounts are prepared in partnership firms?
13. State any one special aspect of partnership accounts.
14. When the Current Accounts of Partners are opened?
15. Under fluctuating capital method, how many accounts are maintained for each partner?
16. State any one feature of fluctuating capital method.
17. State any one situation in which provision of payment of interest on capital to partner is made.
18. Find out Interest at 8% p.a. on capital of ₹50,000 for 9 months.
19. Which is the suitable method for calculation of Interest on drawings, when fixed amount is withdrawn every month?
20. Give one example for past adjustment?

Section B: Two Marks questions:

1. What is Partnership?
2. Define Partnership?
3. State any two features of Partnership.
4. What is Partnership Deed?
5. What are the methods of maintaining capital account of partners?

6. What is fixed capital method?
7. What is fluctuating capital method?
8. State any two differences between fixed and fluctuating capital methods.
9. What do you mean by Profit and Loss Appropriation Account?
10. What is guarantee of profit to a partner?
11. What do you mean by past adjustments?
12. State any two final accounts of a Partnership firm.
13. In the absence of partnership deed, specify the rules relating to the followings:
 - a) Sharing of profit and losses
 - b) Interest on partners capital
15. State the rules relating to the followings in the absence of Partnership Deed:
 - a) Interest on drawings
 - b) Interest on advances from Partners.
16. Name any two methods for calculation of Interest on drawings.
17. When the Interest on drawings is generally provided to partners?
18. How do you close Profit and Loss Appropriation Account in Partnership?
19. State any two special aspects of Partnership Accounts.
20. Name any two contents of Partnership Deed.