

Profit & Loss Appropriation Account Practice Questions

Question 1:

A and B are partners sharing profits in the ratio of 3:2. Their capitals on 1st April 2024 were ■1,00,000 and ■80,000 respectively.

Interest on capital @ 10% p.a.

A salary ■2,000 per month.

B commission 5% of net profit after all appropriations.

General reserve ■10,000.

Drawings: A ■20,000, B ■15,000. Interest on drawings @ 6% p.a.

Net profit ■1,50,000.

Prepare the Profit & Loss Appropriation Account.

Question 2:

X and Y are partners sharing profits equally. Capitals ■1,50,000 and ■1,00,000.

Interest on capital @ 8% p.a.

X salary ■3,000 per month.

Y commission 10% of net profit before commission.

General reserve ■20,000.

Drawings: X ■25,000, Y ■20,000. Interest @ 5% p.a.

Net profit ■2,00,000.

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Question 3:

P, Q, R share profits 5:3:2. Capitals ■2,00,000, ■1,50,000, ■1,00,000.

Interest on capital @ 12% p.a.

Q salary ■5,000 per month.

R commission 8% after salary & interest.

General reserve ■30,000.

Drawings: P ■40,000, Q ■30,000, R ■20,000. Interest @ 6% p.a.

Net profit ■3,00,000.

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Question 4:

M and N share profits 2:1. Capitals ■1,20,000 and ■80,000.

Interest on capital @ 10% p.a.

M salary ■4,000 per month.

N commission 6% after all appropriations.

General reserve ■15,000.

Drawings: M ■30,000, N ■20,000. Interest @ 8% p.a.

Net profit ■1,80,000.

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Question 5:

A, B, C share profits 4:3:3. Capitals ■1,50,000, ■1,20,000, ■1,00,000.

Interest on capital @ 9% p.a.

A salary ■6,000 per month.

B commission 10% before commission.

General reserve ■25,000.

Drawings: A ■35,000, B ■25,000, C ■20,000. Interest @ 5% p.a.

Net profit ■2,50,000.

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