

PRACTICE WORKBOOK

CLASS 12

Accountancy

Six selected units with original explanations, worked examples and graded practice. Supports board-oriented subject practice; this is not a complete syllabus or a full examination paper.



6 practice units
36 tasks with answer guidance

Name / नाम: _____

Original selected-topic practice. Use alongside school lessons and the prescribed textbook. The contents define this book's scope.

UNIT 01 / 06 · LEARN & TRY

Partnership profit appropriation

Name: _____ Date: _____

Learn

A partnership's profit appropriation account shows how the partners share the profit available to them. It is distinct from the profit and loss account that determines business profit. Read the partnership deed before calculating interest on capital, partner remuneration or the sharing ratio. Partner salary is an appropriation in these exercises, not an employee wage expense. Interest on a partner's loan is a charge against profit and must be distinguished from interest on capital. Interest on drawings increases the amount available for appropriation and is charged to the drawing partner. With fixed capitals, ordinary appropriations and drawings are usually recorded in separate current accounts; with fluctuating capitals, they affect capital accounts. Avoid inventing entitlements absent from the deed. For a profit-limited appropriation question, identify the available profit and deed terms before allocating any remaining profit in the agreed ratio.

Worked example

A and B share 3:2. Profit before appropriations is ₹1,00,000. The deed allows capital interest ₹6,000 to A and ₹4,000 to B, and salary ₹12,000 to A. Residual profit ₹78,000 is split ₹46,800 and ₹31,200. A receives ₹64,800 in total; B receives ₹35,200. Total appropriations = ₹1,00,000.

UNIT 01 · APPLY & EXPLAIN

Partnership profit appropriation

4. A and B share equally. Profit before appropriations ₹50,000; interest on drawings collected from A ₹2,000; partner salary to B ₹12,000. No other appropriations. Calculate residual profit and each partner's net credit from these appropriation items. [4 marks]

5. A deed permits capital interest of ₹9,000 to A and ₹6,000 to B only out of profits. Available profit is ₹10,000, and there are no other appropriations. Allocate interest proportionately. [4 marks]

6. P and Q share 2:1. Profit after charging interest on Q's loan is ₹90,000. Capital interest: P ₹8,000, Q ₹4,000; salary P ₹15,000; interest on drawings Q ₹3,000. Calculate residual sharing and each net appropriation credit. [6 marks]

Show your thinking with a drawing, diagram or explanation.

Pause & reflect

What can I explain now? What will I try again?

☐ I tried ☐ I explained ☐ I checked



UNIT 01 · ANSWER GUIDANCE

Partnership profit appropriation

1. Capital interest is an appropriation subject to deed/profit terms; loan interest is a charge against profit.
2. A ₹40,000; B ₹24,000.
3. Fixed method: capital remains fixed except permanent changes; drawings and profit shares enter current accounts. Fluctuating method: those items enter capital accounts.
4. Available amount ₹52,000; residual ₹40,000, ₹20,000 each. A net credit ₹20,000 – ₹2,000 = ₹18,000. B net credit ₹20,000 + ₹12,000 = ₹32,000; together ₹50,000.
5. Entitlements ratio $9:6 = 3:2$. A ₹6,000; B ₹4,000. Entire ₹10,000 profit is appropriated; no residual profit.
6. Available ₹93,000; capital interest and salary ₹27,000; residual ₹66,000. P residual ₹44,000, total credit ₹67,000. Q residual ₹22,000 + interest ₹4,000 – drawings interest ₹3,000 = ₹23,000. Net credits total ₹90,000. Do not charge loan interest again.

Teaching note

Reconcile net partner credits with the profit entering appropriation; interest on drawings is not a second business income receipt.

Curriculum reference: https://cbseacademic.nic.in/web_material/CurriculumMain27/SecPart2/Accountancy_SecP2_2026-27.pdf
Selected units; outcomes are publisher-defined. Practical, project and prescribed literature requirements must also be studied through school.