

# **Girl's High School and College, Prayagraj**

**2020-2021**

**Class 12-C**

**Accountancy**

**Project - I**

**Note:-Parents please ensure that your ward refers to the instructions given for the preparation of the project on Partnership.**

**Instructions:- Students have to develop a case study on their own, involving two partners, who decide to start a partnership firm. They have to write atleast 15 transactions on the basis of the points mentioned below and then they have to write the journal entries, prepare ledger accounts, then Trial balance, then Trading and P/L a/c, P/L Appropriation a/c, Partners' Capital a/c and the Balance Sheet. Lastly, the Conclusion. The order as well as presentation is similar to the first project made in class 11. The length - 15 to 20 pages.**

Preparation of Journal/Sub-division of Journal, Ledger, Trial balance and Financial Statements of a Partnership form of business on the basis of a case study.

- Develop a case study showing how two or more friends decide to come together and start a business with a certain amount of capital.
- Prepare their Partnership Deed including interest on Capital, Partner's salary, commission, interest on drawings, interest on partner's loan and rent paid to a partner.

- Write in detail, their transactions during the year : purchases - cash and credit, sales - cash and credit, expenses, purchase of fixed assets and depreciation charged on them, any outstanding expenses, prepaid expenses, accrued income, drawing bills of exchange, accepting bills payable etc.
- From this case study developed (which should have at least 15 transactions), pass the journal entries, post them into the ledger, prepare a Trial Balance and the Trading and Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet.
- The various expenses, for comparison purpose, could be depicted in the form of bar diagrams, pie charts.
- Calculate relevant accounting ratios like liquidity, solvency, activity and profitability - giving their formulae and computation (all this could be part of the viva-voce).
- The ratios could also be shown graphically and/or pictorially (bar diagrams, pie charts) and if possible, could be compared with the ratios of the industry.