

**VERY SHORT ANSWER TYPE QUESTIONS**

1. What is meant by dissolution of a firm?
2. Distinguish between Dissolution of Partnership and Dissolution of Partnership Firm on the basis of closure of books. (Delhi 2014, CBSE 2019)
3. Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership Firm' on the basis of Court's intervention. (AI 2014, CBSE 2019)
4. Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership Firm' on the basis of 'Economic Relationship'. (Delhi and AI 2016)
5. Differentiate between 'Dissolution of Partnership' and 'Dissolution of the Partnership Firm' on the basis of 'Continuity of Business'. (AI 2017 C)
6. Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership Firm' on the basis of settlement of assets and liabilities. (Delhi and AI 2018, CBSE 2019, 2020 C)
7. All the partners want to dissolve the firm. Y, a partner, demands that his loan of ₹ 2,00,000 be paid before payment of capitals of the partners. But X, another partner, demands that capitals be paid before payment of Y's loan. Who is correct? [Ans.: Y, as per Section 48.]
8. Varun and Arun are partners in a firm sharing profits and losses equally. On the date of dissolution of the partnership firm, Varun's wife's loan was ₹ 45,000, whereas Arun's loan was ₹ 65,000. Which loan will be paid first and why? (CBSE 2019)
9. What is Realisation Account?
10. Give **any two** objects of preparing Realisation Account in the dissolution of a firm.
11. State **any one** occasion for the dissolution of the firm on court's orders. (Delhi 2017 C)
12. State **any two** situations when a partnership firm can be compulsorily dissolved. (CBSE 2019)
13. State **any two** contingencies that may result into dissolution of partnership firm. (CBSE 2019)
14. A and B are partners in a firm sharing profits in the ratio of 3 : 2. Mrs. B has given a loan of ₹ 40,000 to the firm and A has also given a loan of ₹ 80,000 to the firm. The firm was dissolved and its assets realised ₹ 60,000. State the order of payment of Mrs. B's loan and A's loan assuming that there was no other third party liability of the firm. (CBSE 2019 C)  
[Ans.: First, the third party loan, i.e., Mrs. B's loan will be paid then, partner's loan, i.e., A's loan will be paid.]
15. What Journal entry is passed when a partner agrees to pay the realisation expenses on behalf of the firm?
16. Does the loan from an outsider have priority over the loan from a partner as to repayment?
17. On dissolution of a firm, a creditor of ₹ 75,000 accepted furniture at ₹ 60,000 in full settlement of his claim. Pass the necessary Journal entry. (CBSE 2020)