

**National Institute of Open Schooling (NIOS)
Senior Secondary**

Worksheet-22

L-22 PARTNERSHIP: AN INTRODUCTION

1. “Partnership is a form of business organisation, where two or more persons join hands to run a business”. With reference to this statement, state the meaning of partnership as per Indian Partnership Act 1932. Also, explain the various characteristics of partnership.
2. What do you understand by partnership deed? Also discuss the contents of partnership deed.
3. “If there is no partnership deed or it is silent on certain issues, the Partnership Act becomes applicable”. What are the provisions that become applicable?
4. Sita and Geeta are partners in a firm sharing profits and losses equally. During financial year 2020, Sita withdrew Rs. 40,000 quarterly at the beginning of each quarter. If interest is to be charged on drawings @ 10% per annum, calculate the amount of interest to be charged at the end of the year.
5. Discuss the calculations of interest on drawings according to product method in case of when different amounts are withdrawn at different intervals.
6. Do you think that profit and loss appropriation account is merely an extension of the profit and loss account of the firm? Also, prepare the format of profit and loss appropriation account.
7. Salman and Shahrukh are partners with a capital of Rs. 1, 10,000 and Rs. 90,000 respectively. They agree on the followings: (a) To share profit equally. (b) Interest allowed on capital @ 10% p.a. (c) Interest charged on drawing @ 5% p.a. (d) Salary to be paid to Shahrukh @ Rs. 3,000 per month. (e) Salman withdrew Rs. 6,500 and Shahrukh Rs. 4,000 during the year. Profit for the year ending December 31, 2020 was Rs.65, 000. You are required to prepare Profit and Loss Appropriation account.
8. Your friend is bit confused about guarantee of profit. Briefly explain its concept to him.

9. M, N and O are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their fixed capitals were Rs. 5, 00,000; Rs. 3, 00,000 and Rs. 2, 00,000 respectively. For the year 2020 interest on capital was credited to them @10% instead of 8%. Pass the necessary adjustment entry.

10. Discuss the difference between fixed and fluctuating capital accounts.