

websites to sell study notes

Chapter-01 Fundamentals of Partnership firms

Partnership

min. 2, max. 50 [Acc. to partnership Act 1932]
Partnership deed

- * In absence of Partnership deed following are not to charge:
1. Interest on capital
 2. Interest on drawing
 3. Partners' loan @ 6%
 4. No salary
 5. No commission
 6. Equal share of Profits/Loss.

P&L App. A/c

Particulars	₹	Particulars	₹
To Interest on Capital	xxx	By not Profit	xxx
To salary	xxx	By interest on drawing	xxx
To commission	xxx	By	
To Reserve	xxx		
To distribute profit to Partners			
A - xx			
B - xx	xxx		

Expenses

Charge against Profit
Charge against Appropriation of Profit

Capital A/c

fixed
fluctuating
Capital
Current

- * Interest on capital
- * Treatment of Drawing

Regular
Irregular
Beg. middle End
monthly, quarterly, half yearly

- * Salary (p.a)

* commission
before $\rightarrow P \times \frac{\text{Rate}}{100}$
after $\rightarrow \frac{P \times \text{Rate}}{100 + \text{Rate}}$

- * Partnership of Capital
- * Partnership of Profit
- * Partnership of Loss
- * Partnership of Interest
- * Partnership of Management
- * Partnership of Name
- * Partnership of Signature
- * Partnership of Seal
- * Partnership of Stamp
- * Partnership of Mark
- * Partnership of Colour
- * Partnership of Sound
- * Partnership of Smell
- * Partnership of Taste
- * Partnership of Touch
- * Partnership of Sight
- * Partnership of Hearing
- * Partnership of Smell
- * Partnership of Taste
- * Partnership of Touch
- * Partnership of Sight
- * Partnership of Hearing

Particulars	x	y	Particulars	x	y
To IOD			By IOD		
To bal. b/d			By Salary		
			By comm.		
			By dist. Profit		

Preview from Notesale.co.uk
Page 5 of 13

Chapter - 01 Fundamentals of Partnership

* Indian Partnership Act 1932, section 4.

* Partnership is the relation b/w persons who have agreed to share the profits of a business carried by all or any of them acting by all.

* The Persons who have entered into a partnership with one another individually are called Partners and collectively a firm. The name under which the business is carried is called firm name.

* Nature of Partnership

(i) Partnership, from the legal viewpoint, is not a separate legal entity from its partners.

It means, firm's debts can be paid from private assets of the partners. If the firm is not able to pay its liabilities.

(ii) Partnership is a separate business entity from the accounting viewpoint.

* Feature or characteristics of Partnership

(i) Two or more persons

(ii) Lawful business

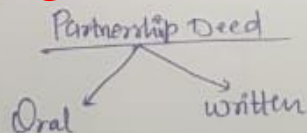
(iii) Agreement

(iv) Business can be carried on by all or any of the partners acting for all.

* min. Partner - 2 (Acc. to Indian Partnership Act 1932)

* maximum Partners (Acc. to company Act 1984) Rule 10

* Partnership Deed → is an important legal document which defines relation-ship among the partners.



Interest on Drawing



Preview from Notesale.co.uk
Page 6 of 13