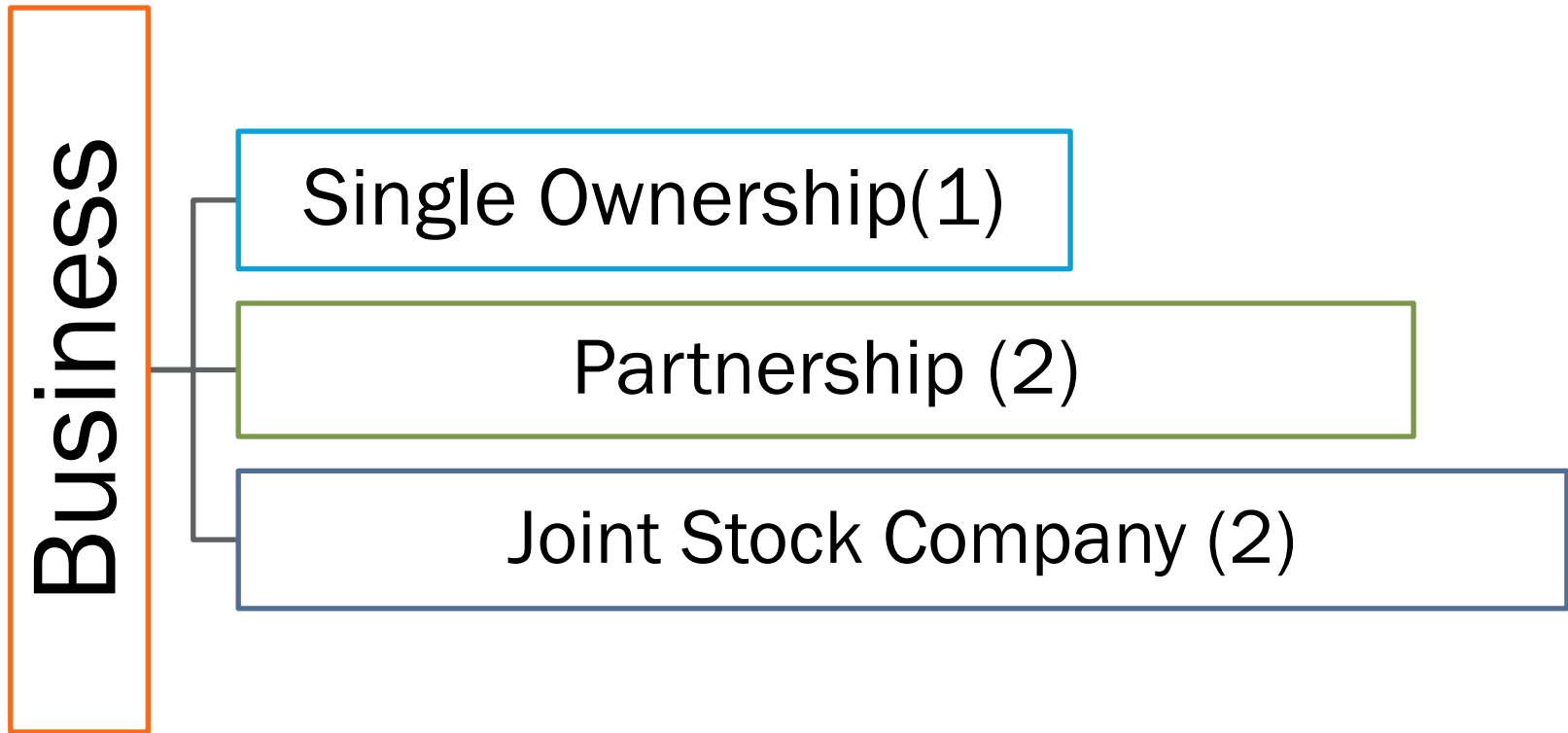


# **BASICS OF PARTNERSHIP**

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# WHY WE NEED PARTNERSHIP



**(1):-Business Expansion**

**(2):-To Overcome Lack of Skills**

**(3):-Market & Product Diversification**

# WHAT IS PARTNERSHIP ?

It is type of Business Structure

Minimum 2 Person ,Maximum 50

Agreement

Unlimited Liability

Profit & Loss

# WHAT IS PARTNERSHIP (CON.)

Activity Must be Legal

Mutual Agency (Business Must Be Carried by At least by One)

1932 Indian Partnership Act

Important *Point* -Indian Companies Act 2013

Partner -Minor ,Unsound Mind ,Define by court

Limited Liability Partnership

# PARTNERSHIP DEED

**Partnership comes into existence as a result of agreement among the partners. The agreement can be either oral or written**

**The Partnership Act does not require that the agreement must be in writing. But wherever it is in writing, the document, which contains terms of the agreement is called 'Partnership Deed**

# CONTENT OF PARTNERSHIP DEED

## Partner Related

- (i) Name and Address of firm and its Main Business
- (ii) Name & Address of Partner
- (iii) Capital contribution by each Partner
- (iv) General rules related to Admission ,retirement ,Dissolution of Firm

## Remuneration & Financial Cost

- (i) Profit & Loss Ratio Share
- (ii) Salary ,Profit or commission of Any Partner
- (iii) Interest on Capital , Loan & Interest on Drawings

## Any Other

- (i) Accounting Period
- (ii) Rights ,Duties of Partner
- (iii) Auditors Appointment
- (iv) Any Other Matters

# PROVISION RELATED TO ACCOUNTING (ABSENCE OF WRITTEN AGREEMENT)

Equal  
Profit &  
Loss  
Account

No Salary or  
Commission  
to Any  
Partner

No Interest  
on  
Capital

No Interest  
on  
Drawings

Interest on  
Loan 6%

*If a partner derives any profit for him/her self from any transaction of the firm or from the use of the property or business connection of the firm or the firm name, he/she shall account for the profit and pay it to the firm*

# PROVISION RELATED TO ACCOUNTING (ABSENCE OF WRITTEN AGREEMENT)

*If a partner derives any **LOSS** for him/her self from any transaction of the firm or from the use of the property or business connection of the firm or the firm name, he/she shall will Bear it to Self*

## Some Other Important Decisions

- (i) Admission of Any new Partner is possible if All partner consent for it
- (ii) Any Decisions related to Contract /Purchase /sales to Third Party is taken by Majority



## NUMERICAL (BASIC OF PARTNERSHIP DEED)

Qno-1 :- **Mohan and Shyam are partners in a firm. State whether the claim is valid if the partnership agreement is silent in the following matters:**

- (i) Mohan is an active partner. He wants a salary of Rs. 10,000 per year;
- (ii) Shyam had advanced a loan to the firm. He claims interest @ 10% per annum;
- (iii) Mohan has contributed Rs. 20,000 and Shyam Rs. 50,000 as capital. Mohan wants equal share in profits.
- (iv) Shyam wants interest on capital to be credited @ 6% per annum

Qn2:- *In the absence of Partnership deed, specify the rules relating to the following :*

- (i) *Sharing of profits and losses.*
- (ii) *Interest on partner's capital.*
- (iii) *Interest on Partner's drawings.*
- (iv) *Interest on Partner's loan*
- (v) *Salary to a partner.*

**Qno-3 :- Aditya and Ashu are partners in a firm. They have no Partnership deed .State whether the claim is valid in the following matters:**

- (i) Aditya is an active partner. He wants a salary of Rs. 80,000 per year;**
- (ii) Ashu had advanced a loan to the firm. He claims interest @ 12% per annum;**
- (iii) Aditya has contributed Rs. 10,000 and Ashu Rs. 25,00,000, as capital. Aditya wants equal share in profits.**
- (iv) Ashu wants interest on capital to be credited @ 6% per annum.**
- (v) Aditya Used Rs 50,000 belonging to the firm and made a profit of Rs.10,000 ,Ashu wants Aditya Should pay All Rs60,000 to the firm**
- (Vi) Ashu wants to admit, AAradhya as a new partner but Aditya was agree for it Solve the above dispute according to partnership Act 1932.**

## Practice Questions

**Qno-1 :- Aditya and Ashu are partners in a firm. They have no Partnership deed .State whether the claim is valid in the following matters:**

- (i) Aditya is an active partner. He wants a salary of Rs. 80,000 per year;
  - (ii) Ashu had advanced a loan to the firm. He claims interest @ 12% per annum;
  - (iii) Aditya has contributed Rs. 10,0000 and Ashu Rs. 25,00,000, as capital. Aditya wants equal share in profits.
  - (iv) Ashu wants interest on capital to be credited @ 6% per annum.
  - (v) Aditya Used Rs 50,000 belonging to the firm and made a profit of Rs.10,000 ,Ashu wants Aditya Should pay All Rs60,000 to the firm
  
  - (Vi) Ashu wants to admit, AAradhya as a new partner but Aditya was not agree for it .
- Solve the above dispute according to partnership Act 1932.**

**Fill Appropriate word in the following (in Absence of partnership deed)**

S.No	Particulars	
1	Profit & Loss Ratio	
2	Salary or Commission to any Partner	
3	Interest on Capital	
4	Interest on Partner Drawings	
5	New Partner Admission	
6	Loan and advances given by Partner	
7	Profit earned by Any Partner from firm resources	
8	Loss occurred by any partner from firm resources	
9	Purchase or sale to any Specific Firm /Companies	



Thanks