

# Shares

## Partnership:

When two or more than two persons run a business jointly, they are called partners and the deal is known as partnership.

## Ratio of Divisions of Gains:

When investments of all the partners are for the same time, the gain or loss is distributed among the partners in the ratio of their investments.

Suppose A and B invest Rs.  $x$  and Rs.  $y$  respectively for a year in a business, then at the end of the year:

$$(\text{A's share of profit}) : (\text{B's share of profit}) = x : y.$$

When investments are for different time periods, then equivalent capitals are calculated for a unit of time by taking (capital  $\times$  number of units of time). Now gain or loss is divided in the ratio of these capitals.

Suppose A invests Rs.  $x$  for  $p$  months and B invests Rs.  $y$  for  $q$  months then,

$$(\text{A's share of profit}) : (\text{B's share of profit}) = xp : yq.$$

## Working and Sleeping Partners:

A partner who manages the business is known as a working partner and the one who simply invests the money is a sleeping partner.