PRINCIPLES OF ACCOUNTING ASSIGNMENT 13

1. Give any five reasons in favour of having a partnership deed.

2. X and Y are partners. X's capital is **Rs** 10;000 and Y's capital is **Rs** 6.000. Interest is payable @ 6%,p.a:.Y is entitled to a salary of **Rs** 300 per month. Profit for the current year before charging any Interest and Salary to Y is **Rs** 8,000 Divide the profit between X & Y. '

3. Show how the following items will appear in the capital accounts of the partners, Babu and Fopu when their capitals are fluctuating:

|  |  |  |
| --- | --- | --- |
|  | **Babu (Rs)** | **Gopu (Rs)** |
| Capital on1.1.2020 | 8,00,00 | 7,00,000 |
| Drawing during 2020 | 1,60,000 | 1,40,000 |
| Interest at 5% on drawings | 4,000 | 2,000 |
| Shares of profits for 2020 | 84,000 | 66,000 |
| Interest on capital at 6% | 48,000 | 42,000 |
| Salary | 72,000 | Nil |