**Partnership**

Partnership is the relation between two or more person who have agreed to run a business jointly and share the profits.

If the capitals of the partners are invested for the same period, the partnership is called simple, and for different period, is called compound.

**Simple Partnership.**

If the period of investment is same for each partner, then the profit or loss is divided in the ratio of investment (See Example 1)

1. If A and B are partners in a business, then:

(Investment of A)/(Investment of B) = (Profit/Loss of A)/(Profit/Loss of B)

**Compound Partnership**

Monthly equivalent investment is the product of capital invested and the period for which it is invested

1. If A and B are partners in a business, then

(Monthly equivalent installment of A)/((Monthly equivalent installment of B) = (Profit/Loss of A)/(Profit/Loss of B)

Examples:-

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| Example 1 | If Jammie $ 2000 and Robb invested for $ 1000 for a period of 12 months. If they earned a profit of $ 300 at the end of year, what will be their share? |
| Solution | As we know  (Investment of A)/(Investment of B) = (Profit/Loss of A)/(Profit/Loss of B)  So Profit of Jammie/Profit of Robb = 2000/1000 = 2/1  Share of Jammie = (2/3)\*300 = $200  Share of Robb = (1/3)\*300 = $100 |

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| Example 1 | A and B invest in a business in the ratio 3 : 2. If 5% of the total profit goes to charity and A's share is Rs. 855, the total profit is: |
| Solution | Let the total profit be Rs. 100.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | After paying to charity, A's share = Rs. | http://www.indiabix.com/_files/images/aptitude/1-sym-oparen-h1.gif | 95 x | 3 | http://www.indiabix.com/_files/images/aptitude/1-sym-cparen-h1.gif | = Rs. 57. | | 5 |   If A's share is Rs. 57, total profit = Rs. 100.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | If A's share Rs. 855, total profit = | http://www.indiabix.com/_files/images/aptitude/1-sym-oparen-h1.gif | 100 | x 855 | http://www.indiabix.com/_files/images/aptitude/1-sym-cparen-h1.gif | = 1500. | | 57 | |