Q7. A, and B were partners in a firm sharing profits in 3:2 ratio. They admitted C for 3/7 share which he took 2/7 from A and 1/7 from B. Calculate new profit sharing ratio?
Solution.

$$\text{Old Ratio} = \begin{matrix} A: & B \\ 3: & 2 \end{matrix}$$

$$= \frac{3}{5} : \frac{2}{5}$$

$$\text{C admitted for } \frac{3}{7} \text{ share in the new firm}$$

$$\text{A's sacrifice} = \frac{2}{7}$$

$$\text{B's sacrifice} = \frac{1}{7}$$

New Ratio = Old Ratio - Sacrificing Ratio

$$A = \frac{3}{5} - \frac{2}{7} = \frac{21-10}{35} = \frac{11}{35}$$

$$B = \frac{2}{5} - \frac{1}{7} = \frac{14-5}{35} = \frac{9}{35}$$

$$\text{New Ratio} = \begin{matrix} A: & B & :C \\ \frac{11}{35} : & \frac{9}{35} : & \frac{3}{7} \end{matrix}$$

$$= \frac{11:9:15}{35}$$

$$= 11:9:15$$

Q8. A, B and C were partners in a firm sharing profits in 3:3:2 ratio. They admitted d as a new partner for 4/7 profit. D acquired his share 2/7 from A. 1 /7 from B and 1/7 from C. Calculate new profit sharing ratio?
Solution.

Old Ratio = A: B :C
3: 3: 2

$$= \frac{3}{8} : \frac{3}{8} : \frac{2}{8}$$

D admitted for $\frac{3}{7}$ share of profit in new firm.

D's share = A's Sacrifice + B's Sacrifice + C's Sacrifice

$$\frac{4}{7} = \frac{2}{7} + \frac{1}{7} + \frac{1}{7}$$

New Ratio = Old Ratio - Sacrificing Ratio

$$A = \frac{3}{8} - \frac{2}{7} = \frac{21-16}{56} = \frac{5}{56}$$

$$B = \frac{3}{8} - \frac{1}{7} = \frac{21-8}{56} = \frac{13}{56}$$

$$C = \frac{2}{8} - \frac{1}{7} = \frac{14-8}{56} = \frac{6}{56}$$

A: B :C :D

New Ratio= $\frac{5}{56} : \frac{13}{56} : \frac{6}{56} : \frac{4}{7}$

$$= \frac{5:13:6:32}{56}$$

$$= 5:13:6:32$$

********** END **********