Q13. Rahul, Rohit and Karan started partnership business on April 1, 2014 with capitals of Rs.20,00,000, Rs.18,00,000 and Rs.16,00,000, respectively. The profit for the year ended March 2015 amounted to Rs.1, 35,000 and the partner's drawings had been Rs.50,000, Rohit Rs.50,000 and Karan Rs.40,000. The profits are distributed among partner's in the ratio of 3:2:1. Calculate the interest on capital @ 5% p.a.

Solution:

Interest on Capital @5% :

$$Rahul = 20,00,000 \times \frac{5}{100} = 1,00,000$$

$$Rohit = 18,00,000 \times \frac{5}{100} = 90,000$$

$$Karan = 16,00,000 \times \frac{5}{100} = 80,000$$

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