**Chapter -11 Partnership**

**What is Partnership?**  
Persons Two or more than two persons when start and run the new business**jointly** of their own choice , the persons start  they are called **Partners** and the deal is done between the partners is known as **Partnership.**

**Ratio of Division of Gains**

* The amount investment of all the partners are for the same time period, the gain or loss amount is distributed among the partners in the ratio of their investments amounts.

Suppose**, SONAM and SWATI** invest some money **Rs. R1**and **R2** respectively for a year in a business, at the end of year profit will be distributed among them **(SONAM share of profit): (SWATI share of profit) = SONAM: SWATI.**

* When investments are for different time periods, then equivalent capital are calculated a unit of time by taking (Capital x number of unit of time).

Suppose**,** **SONAM** invest Rs. **R1** for **t1** months and **SWATI** invest Rs. **R2** for **t2** months, then **(SONAM share of profit): (SWATI share of profit) = SONAM x T1:SWATI x T2.**

**Example:**  
Sara started a software business by investing Rs. 40,000 . After six months, Nitikajoined him with a capital of Rs. 60,000. After 3 years, theyearned a profit of Rs . 27,900 .What was Sara’s share in the profit?  
**Answer :**  
Short trick-   Sara : Nitika share of capital  
= ( 40,000 x 36 ) : ( 60,000 x 30 ) =  1440000 : 1800000 = 4 : 5 .  
Sara’s share is = **Rs. 27900 x 4 / 9 = Rs. 12400.**

**Example:**  
Jasmin  and Harish started a partnership business investing some amount of money in the ratio of 2 : 3 . Ronit joined them after six months with an amount equal to that of Harish. In what proportion should the profit at the end of one year be distributed among Jasmin, Harish and Ronit?  
**Answer:**  
**Short trick-**  
Let the initial investment money ratio of Jasmin and Harish is 2x and 3x.  
So Jasmin , Harish and Ronit ratio of investment is (Jasmin : Harish : Ronit ) = (2x X 12 ) : ( 3x X 12 ) : ( 3x X 6 ) = 24 : 36 : 18 = 4 : 6 : 3 .

**Example:**  
Jeenat started a business and she invested in 76000, After some month, Amrita came to join with her and invest 57000.The end of the year the total profit was divided among them into ratio form 2 : 1.Find after how many months Amrita join.  
**Answer:**  
**Step 1:** we can assume that Amrita join into business after x months. So Amrita’s money was invest into (12 – x) months.  
**Step 2:** 76000 x 12 / 57000 x (12 – x) = 2 / 1  
912000 = 114000 (12 – x) => 114 (12 – x) = 912  
=x = 4  
**hence, after 4 months Amrita join the business.**

**Example:**  
Ashish, Mukta and Ridhi started a business each investing Rs.20,000. After 4 month Ashish withdraws Rs.6000, Mukta withdraws Rs.8000, Ridhi invest Rs.6000 more at the end of the years, a total profit was Rs.65600. Find the share of each.  
**Answer:**  
Ratio capital of Ashish, Mukta and Ridhi.  
= ( 20,000 x 4 + 14000 x 8 ) : ( 20,000 x 4 + 12000 x 8 ) : ( 20,000 x 4 + 26000 x 8 )  
= 192000 : 176000 : 288000  
Ashish share = (65600 x 192 / 656 ) = 192000  
Mukta share = ( 65600 x 176 / 656 ) = 176000  
Ridhi share = (65600 x 288 / 656 ) = 288000