

# 10. PARTNERSHIP ACCOUNTS & LLP

## UNIT 1 : INTRODUCTION TO PARTNERSHIP ACCOUNTS

### CONCEPT 1 : INTRODUCTION

❖ Partnership

Capital Sharing Ratio (CSR)

Profit Sharing Ratio (PSR)

	Vidhi	Jana	Pikachu
	10,00,000	25,00,000	35,00,000
CSR	1	: 25	: 35

PSR = 1:1:1

➤ PSR and CSR are different

### CONCEPT 2 : CAPITAL ACCOUNT

Dr. Bal = Reducing Capital

Capital A/c

Cr. Bal = Contributing Capital

	A	B	C		A	B	C
				By bal b/d	xx	xx	
				By Cash A/c			
To A & B's Cap			xx	By C's Cap	xx	xx	
To Rev Loss				By Rev Profit			
To Drawings				By Salary, Commission			
To Interest on Drawings				By Interest on Capital			
To Loss A/c				By Profit			
To Asset Taken Over				By Reserves			
				By Int on Loan			



1] Interest on Loan to Partner

Interest A/c      Dr  
    To Partner's Capital A/c

2] Cash Transactions

Case 1 : Capital Introduced

Cash A/c                      Dr  
    To Partner's Capital A/c

Case 2 : Withdrawal

Capital A/c                      Dr  
    To Cash (Drawings)

3] Profit/General Reserve or Loss transferred

Case 1 : Profit/ General Reserve

P&L or General Reserve A/c      Dr  
    To Partner's Capital A/c

Case 2 : Loss

Capital A/c                      Dr  
    To P&L (Loss) A/c

4] Salary, Commission, Remuneration (Expense)

Salary, Commission, Remuneration A/c      Dr  
    To Partner's Capital A/c

5] Interest on Capital (Expense)

Interest on Capital A/c      Dr  
    To Partner's Capital A/c

6] Interest on Drawings (Income)

Partner's Capital A/c      Dr  
    To Interest on Drawings A/c

7] Taken Over

1] Assets

Partner's Capital A/c      Dr  
    To Asset A/c

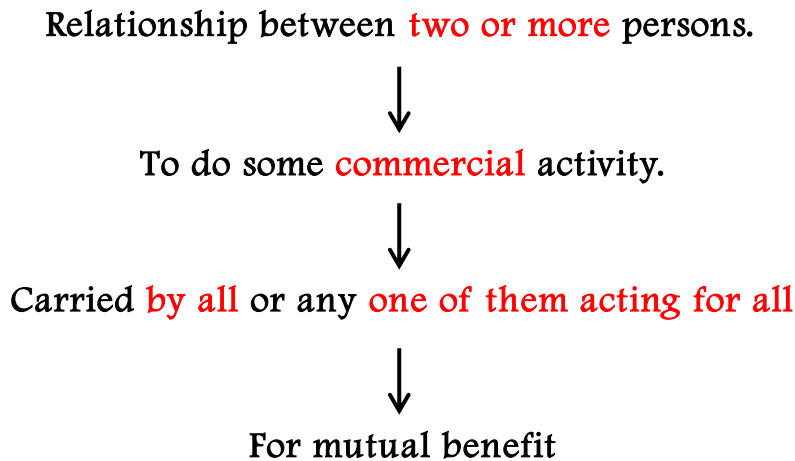
2] Liabilities

Liabilities A/c      Dr  
    To Partner's Capital A/c

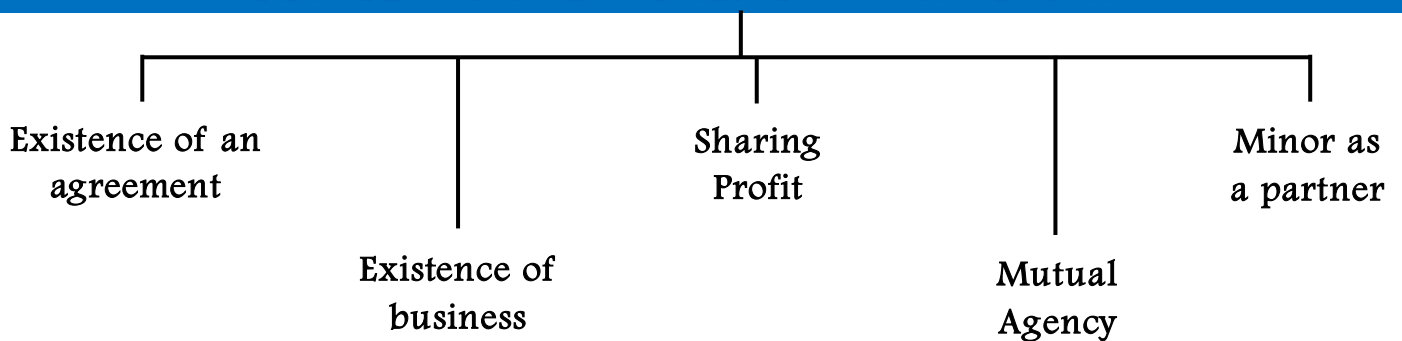
## 8] Goodwill

New Partner's Cap A/c     Dr  
    To Old Partner's Cap A/c

### CONCEPT 4 : WHAT IS PARTNERSHIP ?



### CONCEPT 5 : FEATURES OF PARTNERSHIP



### CONCEPT 6 : PARTNERSHIP DEED

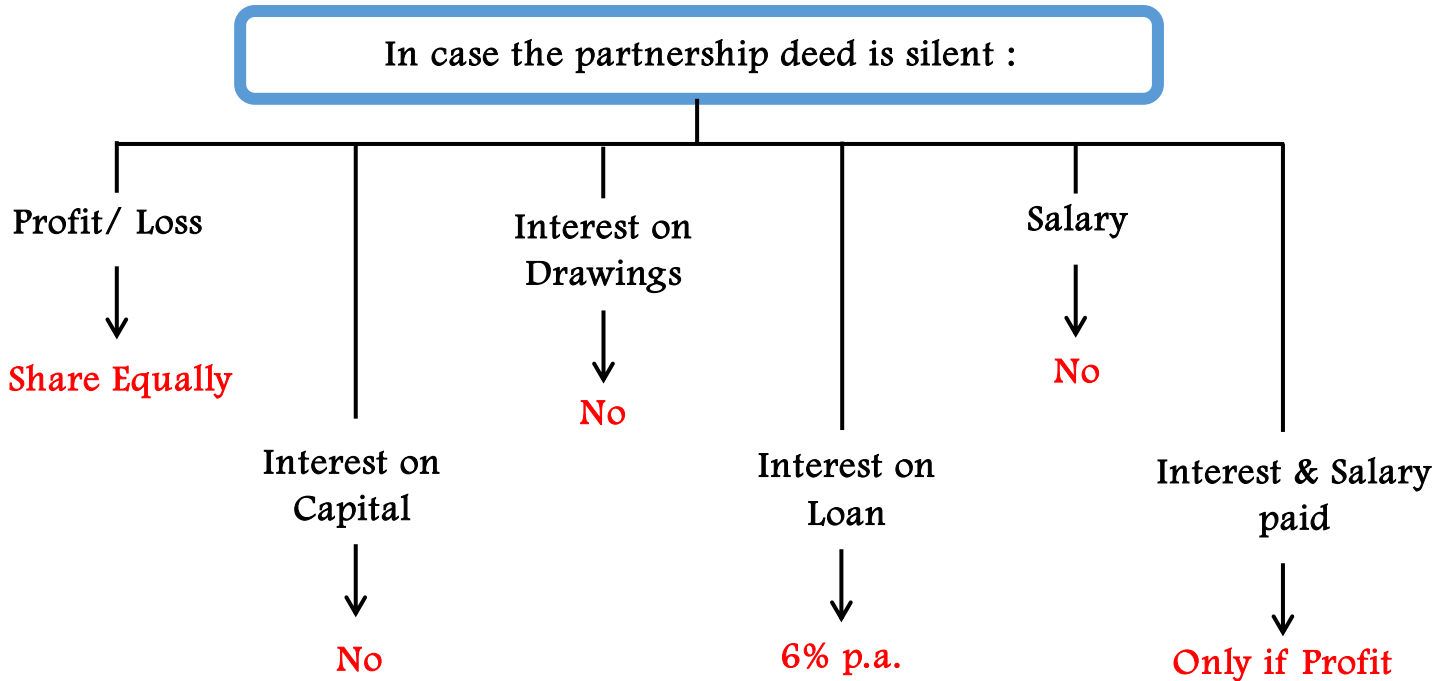
#### Meaning

=> The relationship between the partners is governed by a mutual agreement which is called the partnership deed

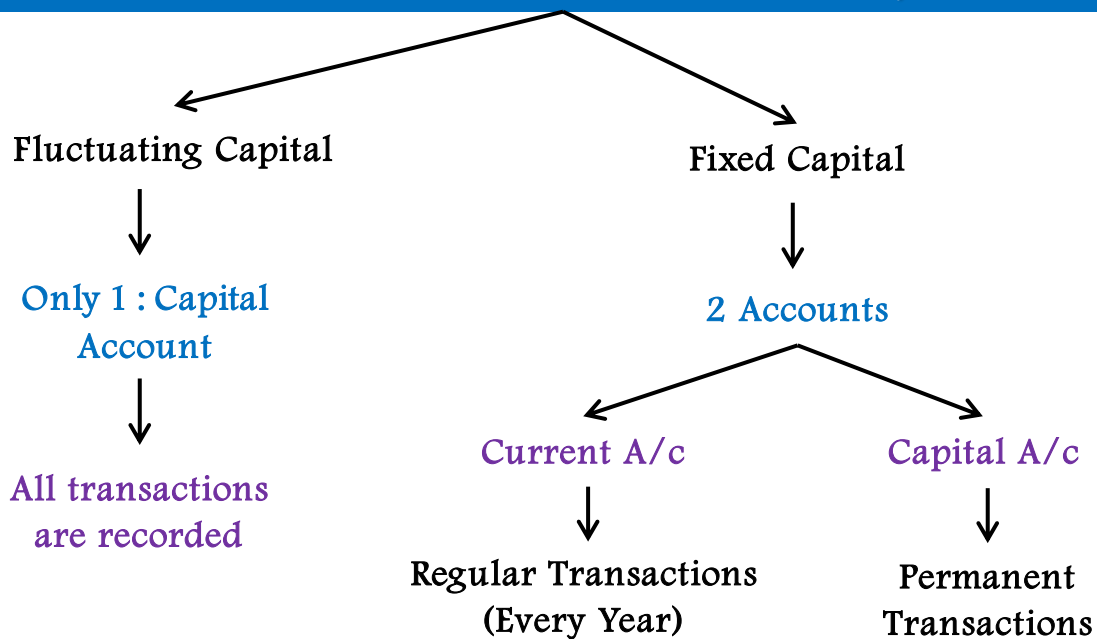
Why?

=> It helps avoid disputes later on

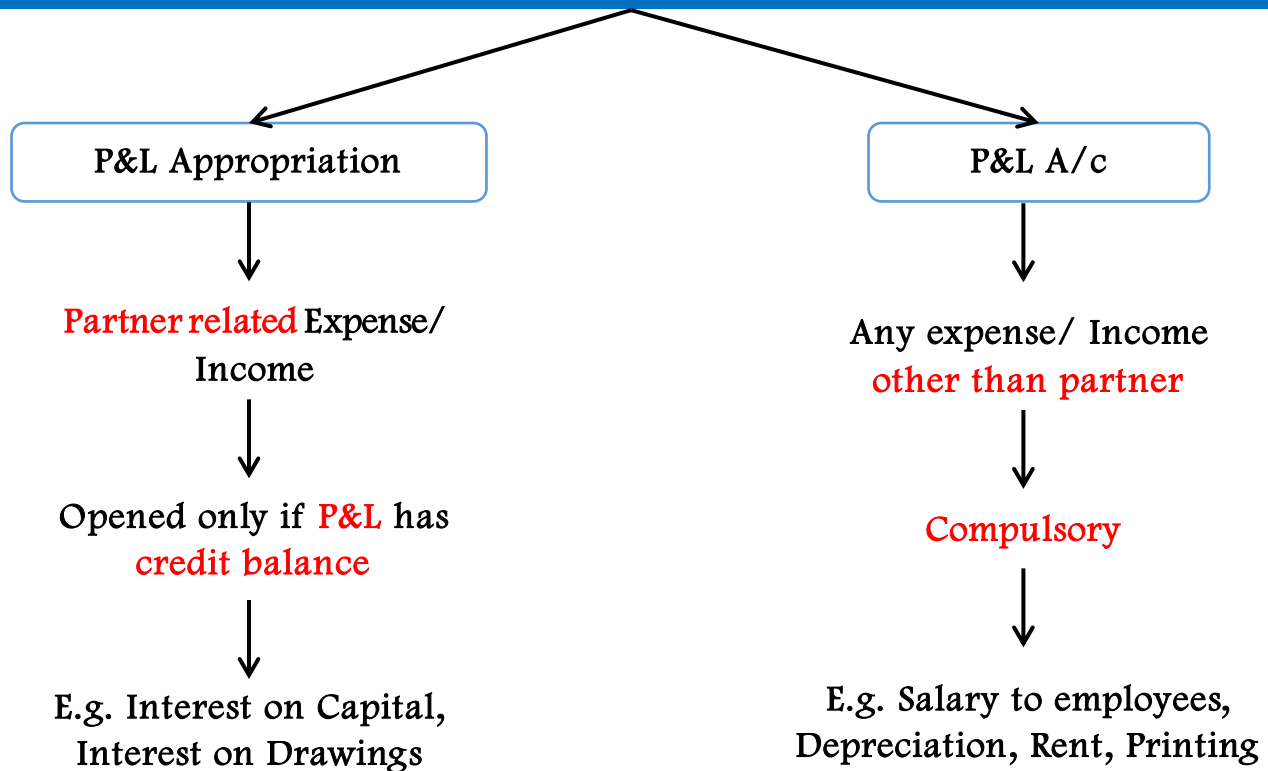
Note : Registration of Partnership is not compulsory



CONCEPT 7 : TYPES OF CAPITAL A/C

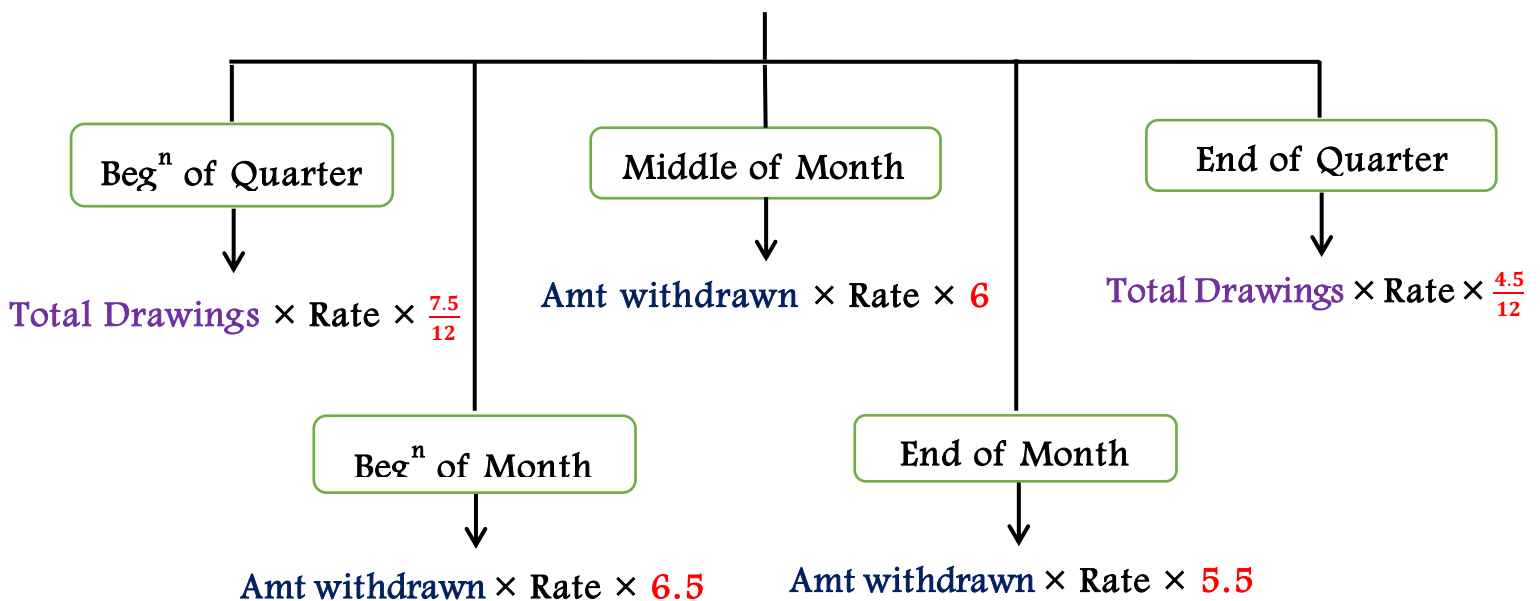


## CONCEPT 8 : P&L APPROPRIATION



## CONCEPT 9 : DRAWINGS CALCULATION

If partner withdraws same amount :



## CONCEPT 10 : GOODWILL CONCEPT

