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Partnership

Concept

Prior knowledge required:

- **Linear equations**
- **Averages**
- **Ratio & Proportion**
- **Percentages**

Concept

- **In partnership, two or more persons carry on a business and share the profits of the business at an agreed proportion.**

- **Working vs. Sleeping Partner**

- **Difference between Simple and Compound Partnership** anujjindal.in

Concept

Relation between Investment/Capital, Time and Profit

- **Different amounts invested for same time period: profits divided in the ratio of investment**
- **Same amount for different time periods: profits divided in the ratio of time period**
- **Different amounts invested for different time periods: profits are shared in the ratio of products of respective investments with the time period for each partner (ratio of ‘money-time’ capitals)**

Concept

Ratio Method:

Ex - Matt, Sid and George entered into a partnership. Matt invested Rs. 16,000 for 9 months. Sid invested Rs. 12,000 for 6 months and George invested Rs. 8,000 for 12 months. At the end of a year, there was a profit of Rs. 26,000. Find out the share of Sid in the profit.

Concept

Direct Method:

Two partners invested Rs 50,000 and Rs 70,000 respectively in a business and agreed that 70% of the profits should be divided equally between them and the remaining profit in the ratio of investment. In one partner gets Rs 90 more than the other, find the total profit made in the business.

Concept

A working partner gets 20% as his commission of the profit after his commission is paid. If the working partner's commission is Rs 8000, then what is the total profit in the business?

Q.1) Ram and Anil enter into a partnership for a year. Ram invests Rs 1200 and Anil invests Rs 1500. After 3 months, Aditya enters with contribution of Rs 900. Anil withdraws his money after 6 months. What will be the share of Aditya, if the profit is Rs 2450?

[a] Rs 700
[b] Rs 1820
[c] Rs 630
[d] Rs 1120
[e] Rs 560

Answer – C

Q.2) P, Q and R invested their capital in the ratio of 8 : 6 : 5. At the end of the business they received the profit in the ratio of 1 : 3 : 5. Find the ratio of time for which they contributed their capital.

[a] 1 : 4 : 8
[b] 4 : 1 : 8
[c] 8 : 4 : 1
[d] 2 : 3 : 4
[e] 8 : 2 : 1

Answer – A

Practice Questions

Q.3) P starts business with Rs 4500 and after 9 months, Q joins P as his partner. After a year, the profit was divided in the ratio 3 : 5. What is Q's contribution in the capital?

[a] Rs 10000
[b] Rs 20000
[c] Rs 5000
[d] Rs 30000
[e] Rs 13500

Answer – D

Q.4) Aman and Vimal enter into a partnership deal with the investment of Rs. 6000 and Rs. 4000 respectively. After the end of the 5 months, Pawan joins them with an investment of Rs. 2,000. If Vimal withdraws his capital after 4 months, how much they share a profit of Rs. 24800 at the end of 7 months?

a) Rs 18500, Rs 7000, Rs 3456
b) Rs 16800, Rs 6400, Rs 1600
c) Rs 17384, Rs 5638, Rs 1298
d) Rs 18973, Rs 4325, Rs 1654
e) None of these

Answer – B

Practice Questions

Q.5) A & B are two partners who start a new business by investing a capital of Rs 25000 and Rs 35000 and decide to share their profit according to their capital. But C joins the business on a condition that they will distribute the profit equally and for that C gives Rs 2,20,000 to A & B. Find the ratio in which A and B will distribute that amount respectively.

[a] 2 : 3
[b] 1 : 2
[c] 1 : 3
[d] 1 : 1
[e] 1 : 4

Answer – C

Q.6) A puts Rs 375 more in a business than B. A invest for 8 months while B for 4 months. If the share of A is Rs 75 more than that of B out of total profit of Rs 125, find the capital invested by A.

[a] Rs 600
[b] Rs 700
[c] Rs 650
[d] Rs 500
[e] Rs 750

Answer – E

Q.7) Akash invested Rs. 5500 to start a business. Bhanu also joined the business with an investment of Rs. 3300, ‘x’ months later. If the profit at the end of the year was divided in the ratio 10:3 between Akash and Bhanu, find the value of x.

a) 4
b) 5
c) 8
d) 6
e) 9

Answer - D

Q.8) Three men A, B and C starts a business together. They invests Rs. 30000, Rs. 24000 and Rs. 42000, respectively, at the beginning. After 4 months, B withdrew Rs. 6000 and C withdrew Rs. 10000. They received a profit of Rs. 11960 at the end of the year. What will be B’s share in profit?

a) Rs. 2405
b) Rs. 2793
c) Rs. 2803
d) Rs. 2915
e) Rs. 2696

Answer – C

Practice Questions

Q.9) A, B and C start a venture with different amounts. A started with Rs. 1000 and increased his investment by Rs. 1,000 every month. B started with Rs. 2,000 and increased his investment by Rs. 2000 every 2 months. C started with Rs. 3000 and increased his investment by Rs. 3000 every 3 months. If they earned a profit of Rs. 84,000 at the end of the year, find the share of C in this profit.

a) Rs. 30,000
b) Rs. 60,000
c) Rs. 36,000
d) Rs. 45,000
e) Rs. 28,000

Answer – A

Q.10) A and B started a venture with different investments. It was decided that A would get 20% of the profit as salary and the remaining profit would then be equally divided between the two of them. Had the entire profit been divided in the ratio of their investments, B would have received Rs. 5200 more as his share of the profit. The respective earnings of A and B are Rs. 16800 and Rs. 11200. Find the investment of A, if B invested Rs. 82000.

a) Rs. 42,000
b) Rs. 48,000
c) Rs. 52,000
d) Rs. 58,000
e) Rs. 54,000

Practice Questions

Answer – D

I.11) Rs 7200, Rs 12800 and Rs 5600 are invested by Puneet, Vineet and Mohit in a business which gives returns at the end of each year. They further increased their investments at the end of each quarter.
They invested additional amounts in the ratio of 4:3:4 at the end of the first quarter and 2:5:3 at the end of the second quarter. Again, at the end of the third quarter, they invested additional amounts in the ratio of 7:6:7.

Q.11) Vineet and Mohit invested a total amount of Rs 84000 in the entire year and Vineet and Puneet invested Rs 72000 in the entire year. What will be the additional amount invested by Puneet, Vineet and Mohit together at the end of second quarter?

[a] Rs 1,36,000
[b] Rs 84,000
[c] Rs 1,84,000
[d] Rs 1,12,000
[e] Rs 1,49,600

Answer – A

I.12) Rs 7200, Rs 12800 and Rs 5600 are invested by Puneet, Vineet and Mohit in a business which gives returns at the end of each year. They further increased their investments at the end of each quarter. They invested additional amounts in the ratio of 4:3:4 at the end of first quarter and 2:5:3 at the end of the second quarter. Again, at the end of the third quarter, they invested additional amounts in the ratio of 7:6:7.

Q.12) Find the profit of Mohit at the end of one year due to additional investments, if Puneet, Vineet and Mohit had invested additional amounts at the end of each quarter in the same ratio as they had invested at the end of the second quarter and the total extra profit due to additional investments at the end of the year is Rs 10800.

[a] Rs 6420
[b] Rs 3092
[c] Rs 3240
[d] Rs 4840
[e] Rs 3660

Answer – C

Practice Questions

I.13) Below is given a question followed by two statements I and II. You have to check which of the given statement(s) is/are necessary/sufficient to answer the question.

Q.13) After how many months (from the start of business) did R join the business?

(I) The annual profit earned by P, Q and R from the business was Rs. 45,000. The sum of P's share in the annual profit and Q's share in the annual profit was Rs. 35,100.
(II) P and Q started the business together by investing in the respective ratio of 7 : 6. After few months from the start of the business, R joined them. The respective ratio of investment of Q and R was 12: 11.

[a] Only I
[b] Only II
[c] Either I or II
[d] Both I and II
[e] Neither I nor II

Answer – D

Q.14) Quantity I: A and B started a business. After eight months from the start of the business, A left and C joined. The amount invested by B was twice that invested by A. The amount invested by C was thrice of that invested by A. B got Rs 252 as the share from the total annual profit earned. Find the profit share of C.

Quantity II: P, Q and R started a business each investing Rs.10000. After 4 months, P withdraws Rs.3000, Q withdraws Rs.4000, R invests Rs.3000 more. At the end of the year, the total profit was Rs.328. Find the share of R.

[a] Quantity I ≤ Quantity II
[b] Quantity I ≥ Quantity II
[c] Quantity I > Quantity II
[d] Quantity I < Quantity II
[e] Cannot be determined or Quantity I = Quantity II

Answer – D

I.15) Below is given a question followed by two statements I and II. You have to check which of the given statements is/are necessary/sufficient to answer the question.

Q.15) P, Q and R are three friends who started the business together. Calculate the amount invested by P in the business.

I. At the end of the year, profit share of P is Rs 3000 more than R and profit share of R is Rs 3000 more than Q.
II. P invested for 8 months and the amount invested by R, Q and P in the business is in the ratio 6 : 8 : 12 respectively. Ratio of period of investment of Q, R and P is in the ratio 3 : 6 : 4 respectively.

[a] Only I
[b] Only II
[c] Either I or II
[d] Both together
[e] Neither I nor II

Answer – E

Q.16) A, B and C are three partners. A gets 2/7 part of total profit. B and C share the remaining profit equally. A's income increases by Rs 240 when profit rise from 10% to 15%. Find the sum of capital invested by B and C together.

[a] Rs 16800
[b] Rs 6000
[c] Rs 10000
[d] Rs 12000
[e] Rs 9600

Answer – D