



Department of Education, Sabaragamuwa/weekly school

week- March 4

Subject-Accounting

Grade-12

Prepared by -
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Competency 10.0 – Prepares financial statements of a partnership business.

Eg: The provisions in the partnership agreement between Ruvitha, Rasika and Ruchira are given below:

- From the beginning of the accounting period a 10% interest per annum is payable on the capital a/c balances
- All partners are entitled to a partnership salary of Rs.30,000 per month.
- For loans provided in excess of the capital a 10% rate of interest per annum is payable. Profits and losses are to be shared equally.
- The account balances of the partners as at 2016/04/01 is as follows (Rs.000's)

	Ravi	Mani	Sunnya
Capital	5,000	4,000	4,000
Total equity	5,400	4,200	3,700
- Each partner has drawings as follows for the year ending 2017/03/31

Ravi	Rs.480,000
Mani	Rs.500,000
Sunny	Rs.320,000
- As on 2016/04/01 the balance on Raskika's loan account was Rs.200,000.
- The partnership business has earned a net profit of Rs.2,580,000 for the year ending 2017/03/31 before the deduction of loan interest.
- Each partner invested Rs.1,000,000 on 2017/03/30 and this money was utilized on the same day for the purchase of a machine.

Required: Prepare

- Current accounts and Capital accounts of the partners.

