



EXAM-DAY · 90-MIN REVISION CARD

Accounting for Partnership Firms — Fundamentals

*Print this · Fold it · Carry to the exam-hall gate · Revise once · Then walk in.***FORMULAS & KEY RESULTS**

Indian Partnership Act 1932 Section 4: Partnership = relation between persons agreeing to share profits of a business carried on by all OR any one acting for all

Maximum number of partners: 50 (per Companies Rules 2014).
Minimum: 2

Section 13 defaults (no deed): Profit-sharing EQUAL · NO interest on capital · NO salary · 6% pa on partner loans only

Interest on Capital = Opening Capital × Rate × Time/12

Interest on Drawings (AP method) = Total Drawings × Rate × AP/12

Average Period: beginning of month = 6.5 m · middle = 6 m · end = 5.5 m · quarterly beginning = 7.5 m · quarterly end = 4.5 m

Partner's Salary / Commission / Interest on Capital → P&L APPROPRIATION A/c (NOT P&L A/c)

Fluctuating Capital Method: 1 account per partner (default). Fixed: 2 accounts (Capital + Current; requires deed)

Current A/c balance can be Dr (asset) or Cr (liability) in Balance Sheet

Guarantee of Profit: Shortfall borne by guarantor partners in agreed ratio (default = PSR of guarantors)

TOP 5 PYQ PATTERNS

- 1 Prepare P&L Appropriation A/c**
6 marks · 95% of years
Master the standard pro-forma — appears in every paper.
- 2 Distinguish Fixed vs Fluctuating Capital Method**
3 marks · 70% of years
5-row comparison table memorised.
- 3 Interest on Drawings — Average Period method**
3 marks · 80% of years
Memorise the 6.5/6/5.5/7.5/4.5 month numbers per drawing pattern.
- 4 Section 13 default rules application**
3 marks · 60% of years
List all four defaults; commonly mistested as 'partners get 6% interest on capital' — answer NO.
- 5 Guarantee of profit — adjustment**
4 marks · 50% of years
Compute normal shares; identify shortfall to guaranteed partner; deduct from guarantor(s) in agreed ratio.

90-MIN REVISION FLOW

0–15 min
Memorise Section 13 four default rules + the 50-partner maximum

15–35 min
Drill 2 P&L Appropriation A/c problems from scratch — strictly timed at 10 min each

35–55 min
Drill 2 Capital A/c (Fluctuating + Fixed methods, one each) — 10 min each

55–70 min
Practise 3 Interest on Drawings problems with different drawing patterns

70–80 min
Review misconception red-boxes + Section 13 defaults memo card

80–90 min
Take 20-MCQ Chapter CBT at readyforboards.com (timer + autoscore + percentile)

Confidence, not anxiety. You've practised this all year. Trust your steps. Don't change strategy on exam morning. Helpline: +91 70330 05444 · readyforboards.com