

1 Old Profit Sharing Ratio

Girija	Yatin	Zubin	Total
5	3	2	10

**Suresh Admitted for 1/5 share**

Let the total profits be 1                    1  
Suresh's Share is 1/5                    1/5  
Balance for old partners                **4/5**

Girija's Share                                2/5    4/5 X 5/10  
Yatin's Share                                6/25   4/5 X 3/10  
Zubin's Share                                4/25   4/5 X 2/10

New Profit Sharing ratio

Girija	Yatin	Zubin	Suresh
2/5	6/25	4/25	1/5
10	6	4	5

or

2 Old Profit Sharing Ratio

A	B	Total
7	5	12

**C Admitted for 1/6 share**

A new share	$7/12 - 1/24$	$13/24$
B new share	$5/12 - 1/8$	$7/24$

New Profit Sharing ratio	A	B	C	or
	$13/24$	$7/24$	$1/6$	
	13	7	4	

**3 Old Profit Sharing Ratio**

A	B	C
3	2	1

**D Admitted for 1/8 share**

B new share	$2/6 - 1/16$	$13/48$
C new share	$1/6 - 1/16$	$5/48$

New Profit Sharing ratio	A	B	C	D	or
	$1/2$	$13/48$	$5/48$	$1/8$	
	24	13	5	6	

**4 Old Profit Sharing Ratio**

Bharati	Astha	Total
3	2	5

**Dinkar Admitted for 1/5 share**

Sacrificing Ratio

Bharati	Astha
1	1

Bharati Sacrificed ( $1/5 \times 1/2$ )

1/10
------

Astha Sacrificed ( $1/5 \times 1/2$ )

1/10
------

Bharati New share

$3/5 - 1/10$

1/2
-----

Astha new share

$2/5 - 1/10$

3/10
------

New Profit Sharing ratio

Bharati	Astha	Dinkar
1/2	3/10	1/5
5	3	2

or

or

**5 Old Profit Sharing Ratio**

Mohan	Mahesh
3	2

**Nusrat Admitted for 1/4 share**      1/4

Mohan sacrificed	$\frac{1}{6}$	$\frac{1}{4} \times \frac{2}{3}$
Mahesh sacrificed	$\frac{1}{12}$	$\frac{1}{4} \times \frac{1}{3}$

Mohan new share	$\frac{3}{5} - \frac{1}{6}$	$\frac{13}{30}$
Mahesh new share	$\frac{2}{5} - \frac{1}{12}$	$\frac{19}{60}$

New Profit Sharing ratio	Mohan	Mahesh	Nusrat
	$\frac{13}{30}$	$\frac{19}{60}$	$\frac{1}{4}$
	26	19	15

or  
or

**6** Old Profit Sharing Ratio

S	B	J
1	1	1

**T Admitted for  $\frac{1}{5}$  share**

In this case the sacrificing ratio is same as the old ratio

S	B	J
1	1	1

**7** Old Profit Sharing Ratio

P	Q	Total
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5	3	8

**New partner admitted** R

**R Admitted for 1/4 share** 1/4

P gives	<table border="1"><tr><td>3/16</td></tr></table>	3/16	$1/4 * 3/4$	$1/4 * 75/100$
3/16				
Q gives	<table border="1"><tr><td>1/16</td></tr></table>	1/16	$1/4 * 1/4$	$1/4 * 25/100$
1/16				

P new share	7/16	$5/8 - 3/16$
Q new share	5/16	$3/5 - 1/16$

New Profit Sharing ratio	<table border="1"><tr><th>P</th><th>Q</th><th>R</th></tr><tr><td>7/16</td><td>5/16</td><td>1/4</td></tr><tr><td>7</td><td>5</td><td>4</td></tr></table>	P	Q	R	7/16	5/16	1/4	7	5	4	or or
	P	Q	R								
	7/16	5/16	1/4								
7	5	4									

Sacrificing Ratio	<table border="1"><tr><th>P</th><th>Q</th></tr><tr><td>3/16</td><td>1/16</td></tr><tr><td>3</td><td>1</td></tr></table>	P	Q	3/16	1/16	3	1	or or
	P	Q						
	3/16	1/16						
3	1							

**8 Old Profit Sharing Ratio**

Kabir	Farid	Total
7	3	10

**New Partner Admitted** Jyoti

Kabir surrendered	$\frac{1}{5}$	$\frac{2}{10}$ or $\frac{1}{5}$									
Farid surrendered	$\frac{1}{10}$	$\frac{1}{10}$									
Kabir new share	$\frac{1}{2}$	$(\frac{7}{10} - \frac{1}{5})$									
Farid new share	$\frac{1}{5}$	$(\frac{3}{10} - \frac{1}{10})$									
Jyoti share	$\frac{3}{10}$	$(\frac{2}{10} + \frac{1}{10})$									
New Profit Sharing ratio	<table border="1"> <tr> <td>Kabir</td> <td>Farid</td> <td>Jyoti</td> </tr> <tr> <td><math>\frac{1}{2}</math></td> <td><math>\frac{1}{5}</math></td> <td><math>\frac{3}{10}</math></td> </tr> <tr> <td>5</td> <td>2</td> <td>3</td> </tr> </table>	Kabir	Farid	Jyoti	$\frac{1}{2}$	$\frac{1}{5}$	$\frac{3}{10}$	5	2	3	or
Kabir	Farid	Jyoti									
$\frac{1}{2}$	$\frac{1}{5}$	$\frac{3}{10}$									
5	2	3									
Sacrificing Ratio	<table border="1"> <tr> <td>Kabir</td> <td>Farid</td> </tr> <tr> <td><math>\frac{1}{5}</math></td> <td><math>\frac{1}{10}</math></td> </tr> <tr> <td>2</td> <td>1</td> </tr> </table>	Kabir	Farid	$\frac{1}{5}$	$\frac{1}{10}$	2	1				
Kabir	Farid										
$\frac{1}{5}$	$\frac{1}{10}$										
2	1										

**9 (i) Old Profit Sharing Ratio**

R	T	Total
3	2	5

**New partner admitted**

		S		
R gives	$\frac{1}{4}$	of his share :	<b><math>\frac{3}{20}</math></b>	From
T gives	$\frac{1}{5}$	of his share :	<b><math>\frac{2}{25}</math></b>	Of
				$(\frac{3}{5} \times \frac{1}{4})$
				$(\frac{2}{5} \times \frac{1}{5})$
R new share	$\frac{9}{20}$		$(\frac{3}{5} - \frac{3}{20})$	
T new share	$\frac{8}{25}$		$(\frac{2}{5} - \frac{2}{25})$	

S share  $23/100$   $(3/20+2/25)$

New Profit Sharing ratio	R	T	S
	$9/20$	$8/25$	$23/100$
	45	32	23

or  
or

9 (ii) Old Profit Sharing Ratio

A	B
1	1

equal partners

**C Admitted for 1/4 share**  $1/4$

Remaining Share  $1 - 1/4$   $3/4$

A's new share	$3/4 \times 2/3$	$1/2$
B's new share	$3/4 \times 1/3$	$1/4$

New Profit Sharing ratio	A	B	C
	$1/2$	$1/4$	$1/4$
	2	1	1

or

9 (iii) Old Profit Sharing Ratio

A	B	Total
3	2	5

**New partner admitted** C

$1/5 \times 1/5$  from A

**C Admitted for 1/5 share**                      1/5    1/5 X 4/5    from B

A gives                      

1/5
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**1/25** (C gets of his share. Here **of** will of new partner share)  
 B gives                      

4/5
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**4/25** (C gets of his share. Here **of** will of new partner share)

A new share                      14/25                      3/5 - 1/25  
 B new share                      6/25                      2/5 - 4/25

New Profit Sharing ratio

A	B	C
14/25	6/25	1/5
14	6	5

or

or

9 (iv)    Old Profit Sharing Ratio

A	B	C	Total
1/2	1/3	1/6	
<b>3</b>	<b>2</b>	<b>1</b>	6

Total Share                      1

**D Admitted for 1/6 share**                      1/6

**C retains his share**                      1/6 this is fix as per question

Remaining Share                      2/3                      1 - 1/6 - 1/6

A new share                      2/3 X 3/5                      

2/5
-----

                      (share in old mutual ratio)  
 B new share                      2/3 X 2/5                      

4/15
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                      (share in old mutual ratio)

New Profit Sharing ratio

A	B	C	D
2/5	4/15	1/6	1/6

or



12	8	5	5
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9 (v) Old Profit Sharing Ratio

A	B	Total
1	1	2

Total Share 1

**C Admitted for 1/5 share** 1/5

**D Admitted for 1/6 share** 1/6

Remaining Share 19/30 1-1/5-1/6

A new share	19/30 X 1/2	19/60
B new share	19/30 X 1/2	19/60

New Profit Sharing ratio	A	B	C	D	or
	19/60	19/60	1/5	1/6	
	19	19	12	10	

9 (vi) Old Profit Sharing Ratio

A	B	Total
5	3	8

Total Share 1

**C Admitted for 3/10 share** 3/10

Gifted by A (1/2)                       $3/10 \times 1/2$                        $3/20$     **Given by A**  
 Remaining Share                       $3/10 - 3/20$                        $3/20$   
 Out of remaining share Given by A                       $3/20 \times 1/2$                        $3/40$     **Given by A**  
 Out of remaining share Given by B                       $3/20 \times 1/2$                        $3/40$     **Given by B**  
 A's new share                       $5/8 - 3/20 - 3/40$                        $2/5$   
 B's new share                       $3/8 - 3/40$                        $3/10$

New Profit Sharing ratio

A	B	C
$2/5$	$3/10$	$3/10$
4	3	3

or

10 Old Profit Sharing Ratio

Mahi	Rajat	Total
4	3	7

In Goodwill adjustment the gaining partner pays his share of goodwill premium to sacrificing partner

Here, New partner Kripa pays whole share of premium to Mahi

This means that whole sacrifice is made by Mahi and Rajat has not sacrificed anything

The old profit sharing ratio of Rajat of  $3/7$  will remain his new profit sharing ratio

Now, How much does Kripa gain

Kripa share of goodwill	60000	
Total Goodwill of the firm	420000	
Ratio of Kripa share of Goodwill	$60000/420000$	$1/7$
So sacrifice made by Mahi		$1/7$
Mahi new share	$4/7 - 1/7$	<b><math>3/7</math></b>

New Profit Sharing ratio

Mahi	Rajat	Kripa
$3/7$	$3/7$	$1/7$
3	3	1

or

