Questions & Answers Test Paper
On
Financial Mathematics/Advanced Business Calculations
" TOPIC- PARTNERSHIPS "

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	FINANCIAL MATHEMATICS QUESTIONS ON PARTNERSHIPS

1	Two men, Mr A and Mr B are in partnership, Mr A having provided $80,000 capital and Mr B $100,000. They agree that in any one year Mr A shall first be paid $7,500 as manager, and then any remaining profit shall be divided between them in the ratio of the capital that each has in the business
	  (a) how much does each receive in a year in which the profits were $18,500
	  (b) what were the profits in a year in which Mr A received $9,100
	  (c) what were the profits in a year in which Mr A received $1,264 more than Mr B

2	A, B and C are partners each investing respectively $30,000, $25,000 and $15,000. A and B are each to received 10% of the total profits after A has received a salary of $2,000 and the remaining profit is to be divided in proportion to their capital. Interest on capital at 10% per annum is also to be credited to each partner. The profits of the business in a certain year are $30,000; what is each partner's share?
3	A and B are partners in an office equipment business and contribute $50,000 capital in the ratio 4 to 1 respectively. Out of the profits of $25,000, B, as manager, is to be paid a salary of $10,000, and the partners each receive 5% interest on their capital. If the remaining profit is divided in the ratio of their capital, what profit does each partner receive and what percentage return is this on the capital they each invested?
4	Two partners, A and B are in business together. A's capital is $2,000 and B's $1,500. The profits of the firm are $1,050. How much should each partner receive?
5	A and B are in partnership. A's capital is $2,500 and B's $4,500. It was agreed that A should receive 30% of the net profit for managing the business and the rest be divided in proportion to capital. The net profit was $5,600. How much should they each receive?

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6	A, B and C are in partnership with $3,000,$4,000 and $8,000 capital respectively. It was agreed that profit should be divided proportionately to capital ad that each partner should withdraw $300 per month in advance from profit. At the end of the year the remaining profit was $19,200.How should this be divided?
7	A and B are in partnership having provided capital of $8,000 and $10,000 respectively. They agreed that out of the profit each year A shall be paid a salary of $5,000 and that any remaining profit should be shared between them in the ratio of the capital each has in the business. In the first year, the business makes a profit of $9,500 (a) how much does A receive? (b) B does not take his share of the first year's profit, but reinvests it in the business. In the second year, the firm makes a profit of $19,000. How much does each receive at the end of the second year?

	FINANCIAL MATHEMATICS **ANSWERS ON PARTNERSHIPS**
1.	(a) Mr. A=$12,389 Mr. B=$6,111 (b) $11,100 © $63,624.00
2.	Mr. A=$14,400 Mr. B=$10,800 Mr. C=$4,800
3.	Profit: Mr. A=$12,000 Mr. B=$13,000 % : Mr. A=25% Mr. B=25%
4.	Mr. A =$600 Mr. B =$450
5.	Mr. A =$3,080 Mr. B =$2,520
6.	Mr. A=$2,400 Mr. B=$4,400 Mr. C=$12,400
7.	(a) Mr. A=$7,000 (b) Mr. A=$10,463.41 Mr. B=$8,536.59

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