concept no.1

Basis Introduction why is this chapter important

Partnership is the result of an agreement between persons for sharing the profits of a business. Any change in the partnership agreement brings to an end the existing agreement and a new agreement comes into force.

The change in the agreement results in changes in the relationship among the partners. In such a case, although the firm continues, it amounts to the reconstitution of the partnership firm

Reconstitution of the firm may happen if, When Change in the profit sharing ratio among the existing partners occurs.

Change in Profit Sharing Ratio Among the Existing Partners :

Sometimes the existing partners decide to change their profit sharing ratio. As a result of change in profit sharing ratio, one or more of the existing partners may acquire extra share in profits at the cost of one or more of other partners.

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END OF CONCEPT NO-1

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CHAPTER-3 CHANGE IN PROFIT-SHARING RATIO AMONG THE EXISTING PARTNERS

concept no.

② Sacrificing and Gaining Share