

Partnership

Name: _____

Date: _____

Class: _____

1. List down **three** advantages of a partnership.

2. List down **three** disadvantages of a partnership.

3. What is the purpose of setting up a partnership agreement?

4. State **four** contents of a partnership agreement.

5. What is the purpose of interest on capital?

6. What is the purpose of interest on drawings?

7. What is the purpose of a partner salary?

8. What is the purpose of an interest on loan from partners?

9. What is the purpose of an appropriation account?

10. State **two** ways in which purchasing goods from cheaper suppliers may affect a business.

11. A sole trader is considering offering a partnership to his employee. Advise him whether or not he should offer it. Justify your answer with **two** advantages and **two** disadvantages.
