

2. The partnership agreement of Maneesh and Girish provides that:

(i) Profits will be shared equally.

(ii) Maneesh will be allowed a salary of Rs.400 p.m.

(iii) Girish who manages the sales department will be allowed a commission equal to

10% of the net profit after allowing Maneesh's salary.

(iv) 7% interest will be allowed on partner's fixed capital.

(v) 5% interest will be charged on partner's annual drawings.

(vi) The fixed capitals of Maneesh and Girish are Rs.1,00,000 and Rs.80,000

respectively. Their annual drawings were Rs.16,000 and Rs.14,000 respectively.

The net profit for the year ending March 31,2002 amounted to Rs.40,000.

Prepare firm's Profit and Loss Appropriation Account.