

Chapter 13 Outline

Advantages of Partnerships
Ease of Formation
No Partnership Taxes
Synergy
Disadvantages of Partnerships
Limited Life
Mutual Agency
Unlimited Liability
General versus Limited Partnerships
Partners' Capital and Drawing Accounts
Formation of a Partnership
Division of Income
Admission of a New Partner
Withdrawal of a Partner
Liquidation of a Partnership

Competencies

1. Outline characteristics of business partnerships and their advantages and disadvantages. (pp. 401–402)
2. Distinguish between a general partnership and a limited partnership. (pp. 402–403)
3. Describe partners' drawing and capital accounts, how partnerships are formed, and common ways to divide partnership income. (pp. 403–406)
4. Explain and demonstrate how to account for the admission of a new partner, the withdrawal of a partner, and the liquidation of a partnership. (pp. 406–412)