

E12-15

Carson, Letterman, and O'Brien are partners who share profits and losses 50%, 30%, and 20%, respectively. Their capital balances are \$100,000, \$60,000, and \$40,000, respectively.

Assume Stewart joins the partnership by investing \$80,000 for a 25% interest with bonuses to the existing partners. Prepare the journal entry to record his investment. **(List multiple debit/credit entries in descending order of amount.)**

<u>Description/Account</u>	<u>Debit</u>	<u>Credit</u>

Assume instead that Carson leaves the partnership. Carson is paid \$120,000 with a bonus to the retiring partner. Prepare the journal entry to record Carson's withdrawal. **(List multiple debit/credit entries in descending order of amount.)**

<u>Description/Account</u>	<u>Debit</u>	<u>Credit</u>