a)   Division of Net Income

	Smark	Lark	Dark	Total
Total income				10,000
20% on beginning balance	20% x $12,000	20% x $17,000	20% x 18,000	
	2,400	3,400	3,600	9,400
Balance remaining				600
	600/3= 200	600/3= 200	600/3= 200	
Totals	$2,600	$3,600	$3,800	$10,000
	======	======	======	======

b)

December 31

Income summary	10,000	
Capital, Smark		2,600
Capital, Lark		3,600
Capital, Dark		3,800

To record the division of income for the year

c)

Smark, Lark and Dark, Barristers & Solicitors
Statement of Partners' Capital
Year End December 31, 2003

	Smark	Lark	Dark	Total
Capital, January 1	$12,000	$17,000	$18,000	$47,000
Add: net income	2,600	3,600	3,800	10,000

Less: drawings	-	5,000	9,000	14,000
	$14,600	$15,600	$12,800	$43,000
	======	======	======	======