

1 Rahul and Shivam are in partnership. The partnership agreement provides that:

- 1 Rahul contributes two-thirds and Shivam one-third of the capital which is fixed.
- 2 Profits and losses are to be shared in the ratio of capital contributed.
- 3 Partners are to be credited with interest on capital at 10 % per annum.
- 4 Partnership salaries are to be credited to Rahul, \$25 000, and Shivam, \$30 000.
- 5 There will be no interest charged on drawings.

All transactions are made through the bank.

The following is a summary of the partnership bank account for the year ended 31 March 2009.

	\$	\$
Bank balance at 1 April 2008		5 000
Cheques received from debtors		<u>805 000</u>
		810 000
Cheques paid to creditors	600 000	
Electricity	25 000	
Rent and rates	34 000	
Insurance	14 500	
General expenses	14 000	
New vehicles	60 000	
Drawings Rahul	25 000	
Shivam	<u>30 000</u>	<u>802 500</u>
Bank balance at 31 March 2009		<u><u>7 500</u></u>

On 1 April 2008 the partnership current account balances were:

Rahul	\$15 500 Cr
Shivam	\$500 Dr

The following information is also available:

	1 April 2008	31 March 2009
	\$	\$
Stock	45 000	48 000
Trade debtors	52 000	63 000
Prepaid rent and rates	3 000	2 000
Vehicles at net book value	40 000	80 000
Fixtures and fittings at net book value	30 000	28 000
Electricity owing	5 000	6 000
Trade creditors	35 000	41 000

REQUIRED

(a) Calculate the fixed capital account balance for **each** partner.

[4]

REQUIRED

- (b)** Prepare the trading, profit and loss and appropriation accounts for the year ended 31 March 2009.

[20]

REQUIRED

(c) Prepare Rahul's current account for the year ended 31 March 2009.

[6]