2 Angela, Beena and Cai were in partnership sharing profits and losses in the ratio of 4 : 3 : 1. They dissolved their partnership on 30 September 2017.

The following information is available.

1 At that date their statement of financial position was as follows:

Assets	$	$	$	$
Non-current assets				
Land and buildings				150 000
Motor vehicles				40 000
Machinery				60 000
				250 000
Current assets				
Inventory				35 000
Trade receivables				45 000
Bank				4 500
				84 500
Total assets				334 500
Capital and liabilities				
	Angela	Beena	Cai	
Capital account	100 000	75 000	25 000	200 000
Current account	5 000	4 000	(1 000)	8 000
Total	105 000	79 000	24 000	208 000
Non-current liabilities				
10% loan from Beena				100 000
Current liabilities				
Trade payables				26 500
Total liabilities				126 500
Total capital and liabilities				334 500

2 The following assets were sold for cash.

	$
Land and buildings	200 000
Machinery	55 150
Inventory	33 750

3 Angela took a motor vehicle at an agreed valuation of $20 000.
Beena took the remaining motor vehicle at an agreed valuation of $13 000.

4 An amount of $40 500 was received from trade receivables in full settlement of their accounts.

5 An amount of $25 000 was paid to trade payables in full settlement of their accounts.

6 Dissolution costs of $2300 were paid from the bank.

REQUIRED

(a) Prepare the realisation account on dissolution of the partnership.

Realisation account

	$		$

[6]

(b) Calculate the amount to be paid to Beena on dissolution of the partnership.

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.... [3]

(c) State **two** items which may be included in a partnership agreement.

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2 ....

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(d) Explain why partners may each have a separate capital account and current account.

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