

2 Mira, Sasha and Peta have been trading as a partnership.

They share profits and losses in the ratio of 2:2:1 respectively. The partnership ceased trading on 31 January 2019.

REQUIRED

(a) State **four** reasons why a partnership may be dissolved.

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[4]

The following information is available on dissolution of partnership.

Mira, Sasha and Peta
Statement of financial position at 31 January 2019

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Assets	
Non-current assets	
Fixtures and fittings	45 200
Motor vehicles	22 000
	<u>67 200</u>
Current assets	
Inventory	20 600
Trade receivables	42 800
	<u>63 400</u>
Total assets	<u>130 600</u>
Capital and liabilities	
Capital accounts	
Mira	45 500
Sasha	42 800
Peta	14 000
	<u>102 300</u>
Current liabilities	
Trade payables	26 400
Bank overdraft	1 900
	<u>28 300</u>
Total capital and liabilities	<u>130 600</u>

- 2 Sasha took a motor vehicle at an agreed valuation of \$4500. The remaining non-current assets were sold for \$64 300.
- 3 Inventory was sold for \$19 800.
- 4 Received \$40 500 from trade receivables.
- 5 Trade payables were paid \$26 000.
- 6 The costs of dissolution were \$3700.

REQUIRED

(b) Prepare the partnership realisation account.

[5]

(c) Prepare, on the **next page**, the partners' capital accounts on dissolution.

[2]

(d) Prepare the final bank account to show the closure of the partnership.

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(e) Suggest **two** reasons why the trade receivables did **not** pay the full amount they owed.

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