2 Titus and Ronicus entered into partnership on 1 October 2003. Their partnership agreement contained the following information:

1 Interest on partners' capital accounts to be credited at 5% on the year end balance.
2 Interest on partners' cash drawings to be charged at 5% on the year end balance.
3 The Profit or Loss sharing ratio to be in the same ratio as the agreed values of the businesses transferred to the partnership, ie Titus, $45 000 and Ronicus, $30 000.
4 Ronicus is to be credited with a partnership salary of $20 000 per annum.
5 Capital accounts and Current accounts to be maintained for each partner.
6 A Goodwill account is not maintained in the firm's books.
7 The following assets and liabilities were transferred to the partnership with effect from 1 October 2003:

	Titus	Ronicus
	$	$
Fixtures and fittings	20 000	5 000
Motor vehicles	10 000	6 000
Stock		14 000
Debtors		4 700
Creditors		2 600

REQUIRED

(a) Prepare the partners' Capital accounts for the year ended 30 September 2004, in columnar format.

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The following information was extracted from the partnership accounts for the year ended 30 September 2004.

		$
Net profit for the year		56 000
Partners' drawings –	Titus	9 000
	Ronicus	5 000

Both partners had taken goods for their own use from the business, Titus, $600, and Ronicus, $450, at cost. This had not been taken into account in the partnership books.

REQUIRED

(b) Prepare the Partnership Profit and Loss Appropriation account for the year ended 30 September 2004.

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(c) Prepare the partners' Current accounts for the year ended 30 September 2004, in columnar format.

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