2	Amina and Nizam are in partnership sharing profits and losses in the ratio of 3:5. Their accounting year ended on 31 December 2011.										
	The p	partnership agreement also states that:									
	1	Amina receives a salary of \$24 450 annually;									
	2	Interest on drawings is charged at 5% on annual drawings;									
	3	Interest on capital is payable at the rate of 4% per annum.									
	The fo	ollowing balances were extracted from the books on 1 January 2011.									
	Amin Nizai	·									
	On 1 July 2011, Amina paid an additional \$20 000 capital into the business bank account.										
	Draw	vings for the year were Amina \$26 000, Nizam \$35 000.									
	Profit for the year before appropriations was \$120 000.										
	REQ	UIRED									
	(a)	Prepare the appropriation account for Amina and Nizam for the year ended 31 December 2011.									
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Prepare 31 Decer	the mber 2	current 2011.	acc	ounts	for	Amina	and	Nizam	for	the	year	ended
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On 1 January 2012, Amina and Nizam agree to admit Sarah as a partner.

At that date goodwill was valued at \$40 000. The following were also agreed about the new partnership:

- 1 Goodwill would not remain in the books;
- Amina, Nizam and Sarah would share profits and losses in the ratio 3:5:2 respectively;
- 3 Sarah would put \$70 000 cash into the business;
- 4 Sarah would bring into the partnership inventory at a value of \$30000 and a motor vehicle valued at \$20000.

REQUIRED

(c)

Prepare the capital accounts for Amina, Nizam and Sarah at 1 January 2012.
[1

In July 2012, Amina, Nizam and Sarah discovered several errors that had been made in their accounts. Their trial balance failed to agree and the difference was entered into a suspense account.

- 1 The revenue (sales) account had been overcast by \$18 200.
- 2 Discounts received of \$9 600 had been entered on the debit side of the discounts allowed account.
- 3 Simon, a debtor, had paid a cheque for \$9 400 to clear his account. His account had been credited for this amount but no entry had been made in the cash book.

REQUIRED

(d)	Prepare journal entries to correct each of the errors which had been discovered (narratives are not required).	
		[8

(e)	Prepare the suspense account, clearly showing the balance brought forward.

[4]