

- 3 Roberto and Sangeeta have been in partnership for many years sharing profits and losses in the ratio 3:2. They decided to dissolve the partnership on 31 August 2020.

Their summarised statement of financial position at that date was as follows:

	\$
Assets	
Non-current assets	<u>160 000</u>
Current assets	
Inventory	45 000
Trade receivables	<u>15 000</u>
	<u>60 000</u>
Total assets	<u>220 000</u>
Capital and liabilities	
Capital accounts	
Roberto	110 000
Sangeeta	<u>60 000</u>
	<u>170 000</u>
Current accounts	
Roberto	25 000
Sangeeta	<u>(10 000)</u>
	<u>15 000</u>
Total capital and current accounts	<u>185 000</u>
Current liabilities	
Trade payables	30 000
Bank overdraft	<u>5 000</u>
	<u>35 000</u>
Total capital and liabilities	<u>220 000</u>

The following information is also available.

- 1 Non-current assets were sold for \$175 000.
- 2 Inventory was sold for \$42 000.
- 3 Trade receivables were settled after allowing a 20% discount.
- 4 Trade payables were settled after taking a 10% discount.
- 5 Dissolution expenses of \$4 000 were paid by cheque.

REQUIRED

(a) Prepare the partnership realisation account.

Partnership realisation account

	\$		\$

[5]

(b) Prepare the partners' capital accounts on dissolution of the partnership.

Partners' capital accounts

	Roberto \$	Sangeeta \$		Roberto \$	Sangeeta \$

[5]

(c) Prepare the bank account on dissolution of the partnership.

Bank account

	\$		\$

[5]