

Unified Exam Bookkeeping and Accounts Past Year Papers Collection – Year 2016 Question 2

Ang and Bu are partners in retail business. The terms of the partnership agreement are as follows:

- (i) Profits and losses are shared equally.
- (ii) Bu's salary is RM1,500 per month.
- (iii) Interest on capital is 6% per annum.
- (iv) Interest on drawings is 4% per annum according to the period taken.
- (v) Interest on loan from partner is 7% per annum.

The following is the Trial Balance of the partnership as at 31 December 2015:

	Dr	Cr
	RM	RM
Premises	115,000	
Motor Vehicles	30,000	
Furniture And Fittings	28,000	
Accumulated Depreciation Of Motor Vehicles		3,000
Accumulated Depreciation Of Furniture And Fittings		7,000
Inventory, 31 December 2015	6,200	
Carriage Outwards	1,950	
Wages And Salaries	36,000	
Partner's Salaries – Bu	16,500	
Allowance For Doubtful Debts		420
General Expenses	9,200	
Rent And Rates	20,600	
Insurance Expenses	1,700	
Accounts Receivable and Accounts Payable	17,500	27,000
Drawings – Bu	3,000	
Cash In Hand	4,000	
Cash At Bank	11,090	
Capital – Ang		50,000
– Bu		100,000
Current – Ang	800	
– Bu		2,600
Gross Profit for the year		107,920

Additional information:

- (i) Wages and salaries accrued were RM3,600.
- (ii) One month deposit of RM1,200 was included in the rent paid.
- (iii) Insurance expenses were paid for one year ended 31 March 2016.
- (iv) Depreciation is to be charged at 10% on cost of motor vehicle, and 5% on reducing balance of furniture and fittings.
- (v) Cash withdrawal by Bu was on 1 September 2015.
- (vi) On 1 December 2015, they agreed that:
 - The premises were to be revalued at RM123,000. The gain on revaluation was to be credited to the capital accounts of the partners.
 - Ang deposited RM20,000 into the partnership's bank account as an additional capital.
 - Bu drew out RM30,000 from his capital as a loan to the partnership.
- (vii) No change to the allowance for doubtful debts.

You are required to prepare:

- (a) Partners' Capital account in columnar form.
- (b) Partners' Current account in columnar form.
- (c) Income Statement for the year ended 31 December 2015 (Profit And Loss account and Appropriation account sections only).