

Mellor and Ridge were partners in a firm of contractors and builders' merchants. By agreement the capitals were fixed - Mellor £30,000 Ridge £15,000 and they shared profits Mellor 2/3 Ridge 1/3. A Trial Balance at 31 December 1983 contained the following items:

	Debit RM	Credit RM
Wages and salaries	15,600	
Returns inwards	1,500	
Returns outwards		780
Inventory 1.1.83	11,700	
Bank Deposit Account	5,400	
Bank Current Account		480
Purchases	46,500	
Trade expenses	3,300	
Commission Income		450
Drawings - Mellor	4,200	
Drawings - Ridge	6,600	
Sales		79,500
Accounts Receivable	4,950	
Accounts Payable		10,170
Furniture and fittings	4,500	
Premises at cost	30,000	
Discount Allowed	750	
Discount Received		630
Carriage Inwards	480	
Carriage Outwards	1,050	
Insurance	360	
Petty Cash	120	
Capital		45,000
	137,010	137,010

The following information relates to the period concerned:

1. 60% of wages and salaries should be charged to Trading Account and 40% to Profit and Loss Account.
2. The partners were entitled to interest at the rate of 6% per annum on their fixed capitals and Ridge was entitled to a salary of RM7,500 for managing the business.
3. The value of inventory at cost at 31 December 1983 was RM17,400 but net realisable value was only RM16,800.
4. A scrutiny of the list of debtors showed that RM150 should be written off as bad and that allowance should be made of RM210 for possible bad debts.
5. Prepayments amounted to RM60 for insurance paid in advance and accruals consisted of RM105 for Carriage Outwards not paid and RM75 for Commission Income not received.

You are required to prepare Income Statement for the year ended 31 December 1983.

(LCCI Intermediate 1984 Autumn, Amended)

John Degg and William Sant were general merchants sharing profits and losses, Degg 3 parts, Sant 1 part. By a partnership deed, dated 1 December 1984, their capital were fixed at Degg RM12,000 and Sant RM15,000. The following Trial Balance shows the position at 31 December 1984.

	RM	RM
Wages and Salaries	8,416	
Discounts	336	284
Bank Interest		205
Inventory 1.1.84	5,316	
Purchases and Sales	21,135	35,366
Premises at cost	12,000	
Insurance	184	
General Expenses	1,480	
Returns	687	351
Carriage Outwards	483	
Carriage Inwards	192	
Furniture and Fittings	1,880	
Bank Fixed Deposit	8,400	
Bank Current Account		214
Capital - Degg		12,000
Capital - Sant		15,000
Accounts Payable and Accounts Receivable	2,217	4,148
Cash in Hand	42	
Drawings - Degg	1,800	
Drawings - Sant	3,000	
	<u>67,568</u>	<u>67,568</u>

Other relevant information is:

1. Interest at the rate of 6% per annum should be allowed on the capital but no interest is to be charged on the Drawings.
2. William Sant is entitled to a salary of RM4,000 per year.
3. Furniture and fittings were revalued at RM1,600.
4. Prepayments of insurance totalled RM42 and accruals of carriage outwards RM51.
5. Three quarters of the wages and salaries are to be allocated to Trading Account and one quarter to Profit and Loss Account. (This does not apply to PARTNER'S salary.)
6. Closing Inventory at 31 December 1984 was valued at cost RM7,860.
7. A Trading Account for the year ended 1984 showed a Gross Profit of RM9,935.

You are required to prepare:

- a. Income Statement for the year ended 1984.
- b. Current Account of William Sant for the year ended 1984 (There was no opening balance.)

(LCCI Intermediate 1985 Summer, Amended)

The following is the trial balance of Syarikat Trojan Traders as at July 31, 1985:

	RM	RM
Capital - Chan		40,000
- Daud		20,000
Drawings - Chan	1,200	
- Daud	800	
Furniture (at carrying amount)	13,500	
Purchases and Sales	10,600	46,890
Bad Debts	400	
Office Salaries	7,700	
Rent	4,400	
Advertising	2,000	
General Expenses	12,500	
Insurance	720	
Inventory at 1 August 1984	5,670	
Bank	48,900	
Commissions		2,200
Accounts Receivable and Accounts Payable	14,300	13,600
	<u>122,690</u>	<u>122,690</u>

Additional information available:

1. Inventory on 31 July 1985 is RM7,200.
2. Insurance expense is paid up to 30 September 1985.
3. Advertising accrued RM300.
4. Depreciate furniture at 12% per annum on carrying amount.
5. Provide interest on partners' capital at 8% per annum.
6. Daud is to receive a salary of RM2,700 per annum.

You are required to prepare the Income Statement for the year ended 31 July 1985 and a Statement of Financial Position as at that date.

(IOB September 1985, Amended)

Ray and Mond are in partnership sharing profits and losses in the ratio 2:1. The following trial balance has been extracted from the books of the partnership as at 31 May 1983.

	Debit RM	Credit RM
Cash at Bank	400	
Accumulated Depreciation on Furniture (at 1 June 1982)		2,000
Furniture at cost	4,000	
Gross Profit of the year		35,000
Office Expenses	10,000	
Partners' Capital Accounts (at 1 June 1982)		
Ray		20,000
Mond		10,000
Partners' Current Accounts (at 1 June 1982)		
Ray		5,000
Mond		2,000
Partners' Drawings for the year		
Ray	10,000	
Mond	9,000	
Premises, at cost	28,000	
Provision for Doubtful Debts		400
Rates	5,000	
Inventory (at 31 May 1983)	1,500	
Trade Payables		6,000
Trade Receivables	12,500	
	80,400	80,400

Additional information:

1. Mond is entitled to salary of RM6,000 per annum; no interest is payable or chargeable on either the partners' capital or current accounts.
2. Depreciation is to be charged on the Furniture at a rate of 10% per annum on cost.
3. A bad debt of RM500 is to be written-off.
4. The Allowance for Doubtful Debts is to be made equal to 5% of Trade Receivables as at 31 May 1983.

You are required to prepare:

- a. Income Statement (Profit and Loss Account and Profit and Loss Appropriation Account Section Only) for the year ended 31 May 1983;
- b. Partners' current accounts for the year ended 31 May 1983;
- c. Partnership Statement of Financial Position as at 31 May 1983.

(AAT, Amended)

Dawn, Edith and Mandy are in partnership as Recreational Suppliers, sharing residual profits and losses in the ratio of 5:2:3 respectively. At 1 November 1982, their capital and current account balances were

	Capital Account	Current Account
	RM	RM
Dawn	8,000	580 (Cr)
Edith	10,000	350 (Dr)
Mandy	12,000	210 (Cr)

By agreement, partners are entitled to interest on capital at the rate of 5% per annum.

On 1 May 1983, by mutual agreement, Dawn increased her capital by paying a further RM2,000 into the partnership bank account, whilst Edith reduced her capital to RM6,000 but left her withdrawn capital in the partnership as a loan bearing interest at 5% per annum.

Partners are allowed to withdraw from current accounts at any time during the financial year but are charged interest on the amounts involved. Details of drawings made and interest chargeable in respect of each partner for the financial year ended 31 October 1983 are:-

	Drawings	Interest on Drawings
	RM	RM
Dawn	2,400	90
Edith	1,800	30
Mandy	3,000	25

Edith is remunerated, for her participation in the running of the partnership, by an annual salary of RM2,500.

The trading profit (before interest) of Recreational Suppliers for the year ended 31 October 1983 was RM19,905.

You are required to prepare for the year ended 31 October 1983:

- Income Statement (Profit and Loss Appropriation Account Section Only) for the partnership.
- Partners' Capital Account in columnar form.
- Partners' Current Account in columnar form.

(CACA Accounting 1 1983 December, Amended)