**BRB2 Page 16-6 Example 2 (Amended)**

Wong, Lee, and Lim were partners and their profit and loss sharing ratio was 1:1:2. The latest Statement of Financial Position was as follows:

Wong, Lee And Lim

**Statement of Financial Position**

As At 31 December Year 2

|  |  |  |
| --- | --- | --- |
|  | **RM** | **RM** |
| **Non-current Assets** |  |  |
| Fixtures And Fittings |  | 10,000 |
| Motor Vehicles |  | 20,000 |
|  |  | 30,000 |
| **Current Assets** |  |  |
| Inventory | 3,000 |  |
| Accounts Receivable | 4,000 |  |
| Bank | 1,000 | 8,000 |
| *Total Assets* |  | 38,000 |
|  |  |  |
| **Owners’ Equity** |  |  |
| Capital |  |  |
| Wong |  | 20,000 |
| Lee |  | 10,000 |
| Lim |  | 6,000 |
|  |  | 36,000 |
| Current Liabilities |  |  |
| Accounts Payable |  | 2,000 |
| *Total Equity And Liabilities* |  | 3,8000 |

On 1 January Year 3, they decided to alter their profit and loss sharing ratio to 2:3:1, and the following assets were revalued:

|  |  |
| --- | --- |
|  | **RM** |
| Fixtures and fittings | 9,000 |
| Motor Vehicles | 23,000 |
| Inventory | 2,000 |

Allowance for doubtful debts was to be increased to RM80.

**You are required to prepare:**

1. Goodwill account;
2. Revaluation account;
3. Partners’ Capital account in columnar form;
4. Statement of Financial Position as at 1 January Year 3.