**2021 Chong Ling (Private) High School Paper 2 Question 4**

Wu H’ng a lantern maker and Min Sheng enter a joint venture business for selling lantern and homemade moon cakes in All Seasons Sunday Market. Profits and losses were to be shared in the ratio of 3:2, each party recorded their transactions in their own books. All the goods were sold at a price of cost plus 50%.

Following were the transactions made during the period of theirs joint venture: -

|  |  |  |
| --- | --- | --- |
| **2021** | |  |
| Sep | 1 | Wu H’ng paid two months rental of RM120 each month. |
|  | 2 | Wu H’ng brought in 300 units of lantern cost RM3,000 for the business venture. |
|  | 3 | Min Sheng produced moon cakes cost RM2,000 for the business venture. |
|  | 4 | Wu H’ng insured the store with a short-term insurance coverage of RM280. |
|  | 8 | One-quarter of the moon cakes was sold by Min Sheng at RM750. |
|  | 10 | Jia Hao bought half of the lanterns at RM2,250 from Wu H’ng. He was allowed with a credit period of one month. |
|  | 15 | Min Sheng sold one third of the remaining moon cakes at RM750. |
|  | 17 | Jia Hao bought half of the lanterns at RM2,250 from Wu H'ng, He was allowed with a credit period of one month. |
|  | 18 | Min Sheng sold one third of the remaining moon cakes at RM750. |
|  | 22 | Wu H'ng gave 2 units of lantern for free to his joint venture's customer. |
|  | 27 | Cash sales made by Wu H'ng for RM1,500. |
|  | 30 | Due to a thunderstorm, all of theirs remaining inventory were destroyed. Insurance company agreed to compensate 70% of the losses facing by them. |
|  |  |  |
| Oct | 1 | Wu H'ng brought in another 100 units of lantern at RM8 each. |
|  | 5 | Min Sheng also provided RM1,500 of moon cakes at cost to the business venture. |
|  | 10 | Min Sheng sold out all of the moon cakes and received a cheque. |
|  | 15 | Half of the lanterns brought in by Wu H'ng was sold out by him. |
|  | 16 | Jia Hao's debts was due, he just able to pay 80% of the debts he owed, and the remaining outstanding balance was immediately written off as bad. |
|  | 28 | Joint venture business ended, and the remaining inventory was taken over by Wu H'ng. |

**You are required to prepare:**

1. Joint Venture Account for both ventures.
2. Memorandum Joint Venture Account.