**2021 Foon Yew High School Kulai Group A Question 1**

Mr Steven and Miss Goh are business partners in SG Enterprise. The business Trial Balance as at 31 July 2021 is as follows:

**Trial Balance as at 31 July 2021**

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Partner Capital (1 August 2020) : Mr Steven |  | 80,000 |
| Miss Goh |  | 40,000 |
| Partner Current : Mr Steven |  | 3,520 |
| Miss Goh | 1,754 |  |
| Drawings : Mr Steven | 20,400 |  |
| Miss Goh | 28,000 |  |
| Gross Profit |  | 105,200 |
| Discount Received |  | 750 |
| Workers’ Salary | 16,750 |  |
| Administration expenses | 16,400 |  |
| Sales Expenses | 14,000 |  |
| Vehicles (cost) | 52,000 |  |
| Furniture (cost) | 15,000 |  |
| Accumulated Depreciation on Vehicles |  | 25,200 |
| Accumulated Depreciation on Furniture |  | 9,000 |
| Account Receivable and Account Payable | 69,766 | 38,600 |
| Bank | 68,200 |  |
|  | **302,270** | **302,270** |

**Additional information:**

1. Inventory at 31 July 2021 is RM 24,800 at cost and RM 24,000 at net realisable value.
2. Mr Steven’s annual salary is RM 12,000 and Miss Goh’s half yearly salary is RM 10,000.
3. The cost of the Vehicles includes a new vehicle purchased on 1 October 2020 at the price of RM 12,000.
4. Accumulated depreciation of vehicles is 20% per annum on cost and accumulated depreciation of furniture is 10% per annum on written down value.
5. Sales expenses unpaid is RM 1,400 and RM 900 administration expenses was paid in advance.
6. On 1 May 2021, in an effort to strengthen the business financial standing they agreed:

-- Mr Steven increased his capital by transferring RM 4,000 from his current account.

-- Mr Steven withdrew RM 10,000 from his capital as a loan to partnership.

1. The partnership agreement are as follow:
   1. Profits and losses are shared according to their initial Capital ratio.
   2. Miss Goh’s commission is RM 300 per month.
   3. Interest on capital is 6% per annum.
   4. Interest on drawings is 4% per annum according to the period taken.
   5. Interest on loan from partner is 5% per annum

**You are required to prepare:**

1. Income Statement (extract) for the year ended 31 July 2021;
2. Partner Capital