**2021 Tsun Jin High School Paper 2 Question 4**

Eugene and Hugo entered into a joint venture for three months to deal with second hand office supplies. They agreed to share profits and losses in the ratio 3 : 2 and allowed the venture business to bear any losses.

The transactions were as follows:

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| **2021** | |  |
| Apr | 1 | Hugo drew a one-month sight bill of RM 8,000 on Eugene, and was duly accepted on that day. The bill was then discounted at bank for RM 7,900. |
|  | 3 | Hugo purchased goods of cost RM 12,000 for resale, and paid RM 800 to have the inventory transported to him. |
|  | 4 | Half of the above goods of cost RM 6,800 were transferred to Eugene. |
|  | 5 | Hugo bought an equipment for RM 3,000. |
|  | 10 | Eugene sold partial goods that received from Hugo for RM 23,000. On delivery, the customer rejected goods worth RM 13,000 and these goods were taken over by Hugo who sold them to Ben for RM 12,000 on 20 April. |
| May | 1 | Eugene’s bill was met on due date. |
|  | 5 | Eugene supplied goods at cost RM 8,000 from his own existing business. |
|  | 20 | Hugo collected the debt from Ben, except for RM 100 cash discount was allowed to him and RM 400 of debt was irrecoverable. |
|  | 21 | Hugo remitted RM 2,000 to Eugene to assist in financing the venture. |
|  | 22 | Eugene paid sundry expenses in respect of the joint venture for RM 500. |
|  | 28 | Eugene received cash from sales proceeds of RM 6,000 and sent the supplying goods of cost RM 4,000 to Hugo. Eugene paid selling expenses for RM 200. |
| Jun | 5 | Hugo sold goods for RM 12,300 by cheque. |
|  | 25 | Eugene sold the remaining goods for RM 2,500 except one item of cost RM 480, but valued at RM 500, was taken over by him for personal use. |
|  | 30 | The equipment was sold for RM 1,800 and the proceeds was kept by Hugo. |
|  | 30 | A cash settlement was made between the venturers, and the venture was ended. |

No separate books were opened for the venture and all transactions involving cash were met from the venturers’ own business bank account.

**You are required to prepare the following accounts:**

1. Joint Venture With Hugo in the books of Eugene;
2. Joint Venture With Eugene in the books of Hugo;
3. Memorandum Joint Venture.