Dobi D’Puteh was a partnership business owned by Fatin, Prakash and Vivian.

**Dobi D’Puteh**

**Trial Balance As At 31 December 2023**

|  |  |  |
| --- | --- | --- |
|  | **RM** | **RM** |
| Purchases and Sales | 220,190 | 282,600 |
| Utility Expenses | 8,000 |  |
| Commission Received |  | 9,208 |
| Insurance | 5,000 |  |
| Wages and Salaries | 45,000 |  |
| Discounts |  | 755 |
| Returns | 700 | 1,505 |
| Rent and Rates | 10,000 |  |
| Bad Debts | 1,500 |  |
| Allowance for Doubtful Debts |  | 526 |
| Accounts Receivable | 11,200 |  |
| Accounts Payable |  | 6,955 |
| Bank | 35,410 |  |
| Fixture and Fittings | 25,000 |  |
| Depreciation of Fixture and Fittings |  | 2,500 |
| Motor Vehicles | 50,000 |  |
| Depreciation of Motor Vehicles |  | 10,000 |
| Capital |  |  |
| Fatin |  | 60,000 |
| Prakash |  | 20,000 |
| Vivian |  | 20,000 |
| Current |  |  |
| Fatin |  | 2,015 |
| Prakash | 905 |  |
| Vivian |  | 1,055 |
| Drawings |  |  |
| Prakash (1 September 2023) | 2,400 |  |
| Vivian (1 January 2023) | 1,300 |  |
| Loan from Fatin (paid on 30 September 2026) |  | 15,000 |
| Inventory as at 1 January 2023 | 15,514 |  |
|  | 432,119 | 432,119 |

The business was started on 1 January 2022 under the following partnership agreement:

1. Interest on capital was allowed on 10% per annum.
2. Partners’ drawings were to be charged interest of 5% per annum.
3. Additional salaries given to Fatin and Vivian were RM9,000 and RM6,000 per annum.
4. Profits and losses were to be shared on the same ratio as the partners’ capital.

**Additional information:**

1. Closing inventory was valued at RM50,000 while the market value was valued at RM38,000.
2. Wages and salaries included partners’ salaries. Salaries owed to Fatin and Vivian was 3 months and 2 months respectively.
3. Prepaid rent amounted RM1,500.
4. A receipt amounted RM450 for promotion was not recorded in the books.
5. Allowance for doubtful debts was to be adjusted to 5% on accounts receivable.
6. Depreciations of non-current assets were as follows:

* Fixture and Fittings – 10% per annum on cost
* Motor Vehicles – 10% per annum on reducing balance method.

You are required to prepare:

1. Income Statement for the year ended 31 December 2023.
2. Statement of Financial Position as at 31 December 2023.