**Unified Exam Bookkeeping and Accounts Past Year Papers Collection – Year 2016 Question 2**

Ang and Bu are partners in retail business. The terms of the partnership agreement are as follows:

1. Profits and losses are shared equally.
2. Bu’s salary is RM1,500 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 7% per annum.

The following is the Trial Balance of the partnership as at 31 December 2015:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Dr** | **Cr** |
|  |  | **RM** | **RM** |
|  | Premises | 115,000 |  |
|  | Motor Vehicles | 30,000 |  |
|  | Furniture And Fittings | 28,000 |  |
|  | Accumulated Depreciation Of Motor Vehicles |  | 3,000 |
|  | Accumulated Depreciation Of Furniture And Fittings |  | 7,000 |
|  | Inventory, 31 December 2015 | 6,200 |  |
|  | Carriage Outwards | 1,950 |  |
|  | Wages And Salaries | 36,000 |  |
|  | Partner’s Salaries – Bu | 16,500 |  |
|  | Allowance For Doubtful Debts |  | 420 |
|  | General Expenses | 9,200 |  |
|  | Rent And Rates | 20,600 |  |
|  | Insurance Expenses | 1,700 |  |
|  | Accounts Receivable and Accounts Payable | 17,500 | 27,000 |
|  | Drawings – Bu | 3,000 |  |
|  | Cash In Hand | 4,000 |  |
|  | Cash At Bank | 11,090 |  |
|  | Capital - Ang |  | 50,000 |
|  | - Bu |  | 100,000 |
|  | Current - Ang | 800 |  |
|  | - Bu |  | 2,600 |
|  | Gross Profit for the year |  | 107,920 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Additional information:**

1. Wages and salaries accrued were RM3,600.
2. One month deposit of RM1,200 was included in the rent paid.
3. Insurance expenses were paid for one year ended 31 March 2016.
4. Depreciation is to be charged at 10% on cost of motor vehicle, and 5% on reducing balance of furniture and fittings.
5. Cash withdrawal by Bu was on 1 September 2015.
6. On 1 December 2015, they agreed that:

* The premises were to be revalued at RM123,000. The gain on revaluation was to be credited to the capital accounts of the partners.
* Ang deposited RM20,000 into the partnership’s bank account as an additional capital.
* Bu drew out RM30,000 from his capital as a loan to the partnership.

1. No change to the allowance for doubtful debts.

You are required to prepare:

1. Partners’ Capital account in columnar form.
2. Partners’ Current account in columnar form.
3. Income Statement for the year ended 31 December 2015 (Profit And Loss account and Appropriation account sections only).