**Unified Exam Bookkeeping and Accounts Past Year Papers Collection - Year 2017 Question 3**

Fang, Guan and Hong are in partnership sharing profits and losses in the ratio of 3:2:1 respectively. The Statement Of Financial Position of the partnership as at 31 December 2016 is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **RM** | **RM** | **RM** |
| **Non-current Assets** |  |  |  |
| Premises |  |  | 127,000 |
| Motor Vehicles |  |  | 30,000 |
| Fixtures And Fittings |  |  | 4,810 |
| Goodwill |  |  | 10,000 |
|  |  |  | 171,810 |
| **Current Assets** |  |  |  |
| Inventory |  | 42,300 |  |
| Trade Receivables |  | 35,000 | 77,300 |
|  |  |  | 249,110 |
| **Owners’ Equity** |  |  |  |
| Capital |  |  |  |
| Fang |  | 85,000 |  |
| Guan |  | 65,000 |  |
| Hong |  | 35,000 | 185,000 |
| Current |  |  |  |
| Fang |  | 6714 |  |
| Guan |  | (2,512) |  |
| Hong |  | 8,678 | 12,880 |
|  |  |  | 197,880 |
| **Non-current Liabilities** |  |  |  |
| Loan From Fang |  | 28,000 |  |
|  |  |  |  |
| **Current Liabilities** |  |  |  |
| Trade Payables | 19,030 |  |  |
| Bank Overdraft | 4,200 | 23,230 | 51,230 |
|  |  |  | 249,110 |

On 1 January 2017, Hong decided to withdraw from the partnership. They agreed on the following terms:

1. Certain assets were to be revalued at:

|  |  |
| --- | --- |
|  | **RM** |
| Premises | 151,000 |
| Goodwill | 7,000 |
| Inventory | 40,500 |

1. Allowance for doubtful debts of RM600 was to be charged.
2. Motor vehicle was to be depreciated by 20%.
3. Hong agreed to take over the motor vehicle at revised value, and also agreed to leave RM20,000 as a loan to the partnership. The balance of the amount due to him was paid to him by cheque.

All the partners’ current accounts were to be transferred to their capital accounts.

After the withdrawal of Hong, Jia was admitted immediately into the business to form a new partnership. On 1 January 2017, Jia brought in RM80,000 as his capital and it was banked in the partnerships account. The business used part of the capital to purchase a new motor vehicle RM50,000 and an additional goods RM2,500.

You are required to prepare:

1. Revaluation account.
2. Columnar Capital account.
3. Bank account.
4. Statement Of Financial Position of the new partnership as at 1 January 2017.