In the books of **Rainbow Trading**

**General Ledger**

Business Purchase

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1991 |  | **RM** | 1991 |  | **RM** |
| Dec 31 | Allowance for Doubtful Debts | 260 | Dec 31 | Premises | 35,000 |
| 31 | Accounts Payable | 9,000 | 31 | Motor Vehicles | 10,500 |
| 31 | Vendor - Tat Ming | 58,000 | 31 | Inventory | 7,200 |
|  |  |  | 31 | Accounts Receivable | 6,500 |
|  |  |  | 31 | Goodwill | 8,060 |
|  |  | 67,260 |  |  | 67,260 |
|  |  |  |  |  |  |

Rainbow Trading

**Statement of Financial Position**

As At 1 January 1992

|  |  |  |  |
| --- | --- | --- | --- |
|  | RM | RM | RM |
| **Non-current Assets** |  |  |  |
| **Tangible Assets** |  |  |  |
| Premises |  |  | 75,000 |
| Plant and Machinery |  |  | 14,500 |
| Furniture and Fittings |  |  | 3,000 |
| Motor Vehicles |  |  | 10,500 |
|  |  |  | 103,000 |
| **Intangible Assets** |  |  |  |
| Goodwill |  |  | 8,060 |
|  |  |  | 111,060 |
| **Current Assets** |  |  |  |
| Inventory |  | 16,200 |  |
| Accounts Receivable | 14,000 |  |  |
| ***Less:*** Allowance for Doubtful Debts | (260) | 13,990 |  |
| Cash At Bank |  | 12,500 | 42,690 |
| ***Total Assets*** |  |  | 153,750 |
| **Non-current Liabilities** |  |  |  |
| Loan from Bank |  | 58,000 |  |
| **Current Liabilities** |  |  |  |
| Accounts Payable | 15,800 |  |  |
| Accrued Expenses | 200 | 16,000 |  |
| ***Total Liabilities*** |  |  | (74,000) |
| ***Net Assets*** |  |  | 79,750 |
| **Owner’s Equity** |  |  |  |
| Capital |  |  | 80,000 |
| ***Less:*** Net Loss |  |  | (250) |
| ***Total Equity*** |  |  | 79,750 |
|  |  |  |  |