**2021 Chong Hwa KL Paper 2 Question 5**

JS and Megan entered into a joint venture for buying and selling mooncakes. Both of them have come to an agreement as follows:

1. Profits and losses were shared equally.
2. Each venturer was entitled to a sales commission of 10% on their own sales value and they have to bear all losses from bad debts.

The following transactions took place during the month of August and September:

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| --- | --- | --- | --- |
| **2021** | |  |  |
| Aug. 1 |  | JS bought mooncakes costing RM 5,000 with delivery charges RM 95. |
| 2 |  | Half of the above purchase were transferred to Megan for sale. |
| 3 |  | Advertising fee and packing expenses incurred amounted to RM150 and RM220 respectively. These expenses were paid by Megan. |
| 7 |  | JS sold part of the mooncakes on credit to Samantha for RM 2,800. |
| 18 |  | Received a cheque RM 2,500 from Samantha as part settlement of debts. |
| 22 |  | Megan sold all the mooncakes she received from JS for RM 3,500 by cash. |
| 29 |  | JS sold the rest of mooncakes by cash for RM700. |
| Sep. 1 |  | JS purchased mooncakes costing RM 6,500. On his way home he was involved in an accident and RM 350 of the goods were completely destroyed. The loss was borne by the joint venture. |
| 2 |  | Mooncakes costing RM 4,000 was sent to Megan by Lalamove delivery service. Megan paid RM50 for Lalamove charges. |
| 5 |  | Megan cash transferred RM 3,000 to JS through the instant transfer online system. |
| 10 |  | JS sold all the mooncakes to a marketing company at a price of RM 2,450 and received a cheque. |
| 15 |  | The outstanding balance RM300 due by Samantha was unable to be collected. |
| 29 |  | Megan made total cash sales of RM 5,320. |
| 30 |  | Unsold mooncakes costing RM600. JS and Megan agreed to take it over equally for personal consumption. |
| 30 |  | Commission and profits or losses were to be calculated and divided as agreed. The final settlement between the venturers made by cheque. |

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

1. Joint Venture with Megan, in JS’s book;
2. Joint Venture with JS, in Megan’s book;
3. Memorandum Joint Venture.