**2022 Kuen Cheng High School Paper 2 Question 2**

Jason, Allan, Erica were partners in a business and sharing profit and losses in the ratio of 2:2:1. Trial Balance as at 31 December 2009 was as follows:

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Bank | 1,300 |  |
| Inventory | 9,000 |  |
| Accounts Receivable | 11,050 |  |
| Motor Vehicle | 22,300 |  |
| Accounts Payable |  | 11,250 |
| Loan from Allan |  | 9,164 |
| Capital - Jason |  | 16,000 |
| - Allan |  | 12,000 |
| - Erica | 4,764 |  |
|  | 48,414 | 48,414 |

Jason, Allan, Erica agreed to dissolved the partnership and the assets were realized for cash (deposit into bank) as follows:

**RM**

Inventory 4,000

Motor Vehicles 18,850

The accounts payable were paid off at 20% discount and the expenses of winding up amounted RM 655 were paid by Jason.

The amount due from the accounts receivable were collected and banked with the exception of one debt for RM 720 which was regarded as irrecoverable. And the partners agreed to allow discounts for RM 105.

While Jason and Allan were solvent, Erica was unable to bring in anything. All the liabilities were settled during the dissolution.

**You are required to prepare:**

1. Realisation Account
2. Partners’ Capital Accounts (in columnar form)
3. Bank Account