**2022 Kuen Cheng High School Paper 2 Question 6**

Peter and Tony entered into a joint venture for two months to deals with second hand motor engines. They agreed to share profits and losses equally. No separate books were opened for the venture and all payments and receipts were passed through the bank accounts (all the cash will transferred to bank account).

The following transactions took place during these two months:

|  |  |  |
| --- | --- | --- |
| 2019 |  |  |
| March | 2 | Peter bought goods costing RM 8,000 for cash and paid for carriage charges RM 100. |
|  | 9 | Part of the purchases above were transferred to Tony. Peter paid insurance expenses RM 70 for the joint venture. |
|  | 18 | Tony purchased goods costing RM 2,500 for cash and paid for repairs on them at a cost of RM 330. |
|  | 30 | Peter made sales of RM 5,000 for cash and Tony made sales of RM 1,200 for cash. |
| April | 5 | Tony purchased goods costing RM 2,200 for cash but RM 1,400 of these goods were damaged in transit. An insurance claim RM 1,100 was received for the cost of the goods damage in transit. |
|  | 13 | Tony transfer RM 1,000 to Peter to assist in financing the venture. |
|  | 30 | Peter made sales of RM 10,000 for cash. |
|  | 30 | It was agreed that all the remaining inventory would be taken over by Peter at an agreed value of RM 1,600. Tony paid transportation expenses RM 160 to have the secondhand motor engines transported to Peter. |
|  | 30 | A final settlement was made between the joint venturers, joint venture was closed. |

**You are required to prepare :**

1. “Joint Venture With Tony Account” in the book of Peter
2. “Joint Venture With Peter Account” in the book of Tony
3. Memorandum Joint Venture Account