**2022 Pay Fong Middle School Paper 2 Question 6**

Chan & Eason entered into a joint venture for purpose of buying and selling seasonal products.

They agreed to divide profits and losses in the ratio of 3:1.

Sales commission was calculated at 5% of their respective total sales and was to be paid at the end of their joint venture business.

All the transactions of the venturers were paid through by their own bank account.

The following transactions related to joint venture took place during the two months:

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| --- | --- |
| 2021  Nov 1 | Chan bought goods costing RM15,500 and sent RM10,000 of the goods to Eason for sale. |
| 2 | Chan paid carriage and warehouse charges for RM665. |
| 5 | Eason bought office furniture for business venture by cheque RM1,000. |
| 18 | Chan made sales of RM 5,400 on credit to Choo Trading. |
| 26 | Eason sold all the goods he received from Chan for RM14,500. |
| 30 | Eason remitted RM8,000 to Chan by cheque. |
| Dec 3 | Eason supplied goods of cost RM2,900 from his own existing business. |
| 15 | Chan received a cheque from Choo Trading for the amount owing. |
| 18 | Eason sold goods of cost RM3,600 for RM9,800 and incurred selling expenses RM50. |
| 25 | Chan’s warehouse suffered a serious flood, as a result of all the remaining inventory was completely destroyed. Chan and Eason decided to end the joint venture. |
| 28 | Eason agreed to take over the office furniture which was depreciated by 20% on cost. |
| 31 | Commission and profit and losses were to be calculated and divided as agreed. The final settlement between the venturers made by cheque. |

**You are required to prepare:**

1. Joint Venture with Eason in the books of Chan;
2. Joint Venture with Chan in the books of Eason;
3. Memorandum Joint Venture.