**2022 Pay Fong Middle School Paper 2 Question 1(b)**

Sam and Chai went into partnership as wholesale merchants sharing profits and losses in the ratio of 3: 2. The following balances were extracted from the books on 31 December 2021:

|  |  |
| --- | --- |
|  | RM |
| Capital Accounts: Sam | 50,000 |
| Chai | 35,000 |
| Current Accounts: Sam | 29,332 |
| Chai | Dr 9,768 |
| Inventory, 31 December 2021 | 5,354 |
| Premises | 90,000 |
| Motor Vehicles | 15,000 |
| Accounts Receivable | 3,809 |
| Accounts Payable | 2,599 |
| Bank | Cr 7,000 |

Both of the partner decided to retire and agreed to dissolve the partnership on 31 December 2021. The assets and liabilities were settled as follows:

1. The motor vehicle was taken over by Sam at an agreed valuation of RM13,000.
2. The rest of the assets (except bank) were sold to ABC Company at an agreed price of RM 100,000 and the proceed was banked.
3. Settled debts with creditors and received discounts RM 98.

**You are required to prepare:**

1. Realisation;
2. Capital (in columnar form);
3. Bank.