**2022 Pin Hwa High School Paper 2 Question 2**

Yap and Tan were in partnership under an agreement which provided that:

1. Profit and losses were to be shared in proportion to their original capital;
2. Tan would receive an annual salary of RM 12,000;
3. interest per annum was allowed on partners' capital;
4. interest per annum was allowed on loan from partners.

The following was their Trial Balance taken on31 March 2022:

|  |  |  |
| --- | --- | --- |
|  | **RM** | **RM** |
| Capital - Yap |  | 30,000 |
| - Tan |  | 15,000 |
| Current - Yap | 2,300 |  |
| - Tan | 1,600 |  |
| Drawings - Yap | 12,000 |  |
| - Tan | 6,000 |  |
| Loan From Yap |  | 30,000 |
| Office Equipment | 24,000 |  |
| Accumulated Depreciation Of Office Equipment |  | 6,000 |
| Inventory, 1 April 2021 | 41,600 |  |
| Sales |  | 187,400 |
| Purchases | 104,300 |  |
| Rent | 4,800 |  |
| Insurance Expenses | 4,000 |  |
| Accounts Receivable and Accounts Payable | 31,400 | 24,800 |
| Water And Electricity | 2,400 |  |
| Carriage Inwards | 1,700 |  |
| Carriage Outwards | 1,500 |  |
| Discounts Allowed | 1,400 |  |
| General Expenses | 3,600 |  |
| Bank | 17,400 |  |
| Salaries | 33,200 |  |
|  | 293,200 | 293,200 |

**Additional information:**

1. Inventory on 31 March 2022 was valued at RM 46,000.
2. Office Equipment was to be depreciated at 10% per annum on reducing balance method.
3. The insurance expenses had been paid for 10 months ended 31 May 2022.
4. RM 800 was owed for salaries.
5. During the year, Tan took goods which cost RM 200 for his own use but no entry has been made in the books.

**You are required to prepare:**

1. partnership Income Statement for the year ended 31 March 2022;
2. Current account of Yap and Tan in columnar form.