2. Lee, Wan and Jia were in partnership and shared profits and losses in the ratio of 5:3:2 respectively. The partnership was in financial difficulties, and was dissolved on 1 September 2021 when the Statement of Financial Position was as follows:

Lee, Wan and Jia Statement of Financial Position as at 31 August 2021

RM RM RM Non-Current Assets RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM RM R	Statement of Financial Position as at 31 August 2021			
Premises 100,000 Motor Vehicles 30,000 Office Equipment 10,000 140,000 Current Assets Inventory 7,000 Accounts Receivable 4,000 Cash at bank 3,000 Total Assets 14,000 Total Assets 5000 Owners' Equities 40,000 Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000		RM	RM	RM
Motor Vehicles 30,000 Office Equipment 10,000 Current Assets Inventory 7,000 Accounts Receivable 4,000 Cash at bank 3,000 Total Assets 14,000 Owners' Equities 2 Capital - Lee 60,000 - Wan 40,000 - Jia 110,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) Current Liabilities 24,000 Accounts Payable 15,000 Accrued Salary 5,000	Non-Current Assets			
Office Equipment 10,000 Current Assets Inventory 7,000 Accounts Receivable 4,000 Cash at bank 3,000 Total Assets 14,000 Owners' Equities 2 Capital - Lee 60,000 - Wan 40,000 - Jia 110,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable Accrued Salary 5,000	Premises		100,000	
Current Assets 140,000 Inventory 7,000 Accounts Receivable 4,000 Cash at bank 3,000 Total Assets 14,000 Owners' Equities 2 Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) Current Liabilities 24,000 Accounts Payable 15,000 Accrued Salary 5,000	Motor Vehicles		30,000	
Current Assets 1,000 Accounts Receivable 4,000 Cash at bank 3,000 Total Assets 14,000 Owners' Equities 54,000 Capital - Lee 60,000 - Wan 40,000 - Jia 110,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable Accrued Salary 5,000	Office Equipment		10,000	
Inventory 7,000 Accounts Receivable 4,000 Cash at bank 3,000 14,000				140,000
Accounts Receivable 4,000 Cash at bank 3,000 14,000 Total Assets 154,000 Owners' Equities Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000	<u>Current Assets</u>			
Cash at bank 3,000 Total Assets 14,000 Owners' Equities 54,000 Capital - Lee 60,000 - Wan 40,000 - Jia 110,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000	Inventory		7,000	
Total Assets	Accounts Receivable		4,000	
Total Assets 154,000 Owners' Equities 60,000 Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 20,000	Cash at bank		3,000	
Owners' Equities Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable Accrued Salary 5,000 20,000		-		14,000
Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000	Total Assets			154,000
Capital - Lee 60,000 - Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000				
- Wan 40,000 - Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 20,000	Owners' Equities			
- Jia 10,000 Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 20,000	Capital - Lee		60,000	
Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 110,000 124,000 24,000 134,000	- Wan		40,000	
Current Account - Lee 18,000 - Wan 15,000 - Jia (9,000) 24,000 134,000 Current Liabilities 15,000 Accounts Payable 15,000 Accrued Salary 5,000	- Jia		10,000	
- Wan - Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable Accrued Salary 15,000 20,000		-		110,000
- Jia (9,000) 24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 20,000	Current Account - Lee		18,000	
24,000 134,000 Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000	- Wan		15,000	
Current Liabilities 134,000 Accounts Payable 15,000 Accrued Salary 5,000 20,000	- Jia		(9,000)	
Current Liabilities Accounts Payable 15,000 Accrued Salary 5,000 20,000		-		24,000
Accounts Payable 15,000 Accrued Salary 5,000 20,000				134,000
Accrued Salary 5,000 20,000	Current Liabilities			
	Accounts Payable		15,000	
	Accrued Salary		5,000	
Total Equity and Liabilities 154,000		_		20,000
	Total Equity and Liabilities			154,000

Additional information:

- (i) The premises were sold for RM70,000 and office equipment was realized for RM8,000.
- (ii) One of the motor vehicle was taken over by Lee at agreed value of RM15,000 (Book value RM20,000), and the other one was sold for RM5,000.
- (iii) The inventory was taken over by Wan at cost less 20%.
- (iv) The accounts receivable paid the amount owing, less discounts allowed of RM200 and bad debts RM100.
- (v) Dissolution expenses amounted to RM1,200.
- (vi) The accounts payable were paid the full amount of RM14,700.
- (vii) Other liabilities were paid off in full.
- (viii) The current account balances were transferred to their capital accounts before making any adjustment.
- (ix) Partners brought in fund to meet any of his capital deficiency.
- (a) You are required to prepare the following accounts:
 - (i) Realisation (8%)
 - (ii) Bank (4%)
 - (iii) Partners' Capital (in columnar form) (4%)
- (b) Based on your answer (a)
 - (i) What rules should be applied if one of the partner is insolvent and unable to contribute amount of his deficiency in his capital? (2%)
 - (ii) Calculate the amount of deficiency that should be borne by the remaining partners. (2%)

(Total: 20%)