Motor vehicles		50,000
Office equipment		15,000
Creditors		48,450
Capital Accounts: Mzamil Momanyi		225,000
John Wekesa		150,000
Current Accounts: Mzamil Momanyi		70,000
John Wekesa		65,000
Sales		338,750
Sundry income		92,250
Purchases	170,300	
Returns	34,000	4,500
Sundry expense	33,125	
Drawings: Mzamil Momany	46,800	
John Wekesa 39,000		
Carriage out	11,150	
Salaries and wages	35,650	
Rent and rates	11,950	
Electricity	9,750	
Discounts	5,300	4,375
Loan Accounts: Mzamil Momanyi		12,500
Printing and stationery	59,950	
Telephone and postage	15,000	
	1,193,825	1,193,825

Additional information on 30 November 2004.

(a) Provide depreciation as follows:

  (i) Fixtures and fittings, 12.5% per annum on cost

  (ii) Premises 10% per annum on cost

  (iii) Motor vehicles, 25% per annum on book value

  (iv) Equipment, 12.5% per annum on book value.

(b) Prepaid rent amounted to Shs. 1,500

(c) Unpaid wages amounted to Shs. 1,850

(d) Shs. 4,600 of the sundry debtors is to be written off as bad debts; also a provision for bad debts of 5% equal to the good debts is to be set np.

(e) Their Partnership Agreement provides as follows:

  (i) To share profits and losses in the ratio of 1:1

  (ii) To allow 6% interest per annum on capital

  (iii) To pay Wekesa a salary of Shs. 18,750 per annum for running the business

  (iv) To charge 10% of interest per annum on drawings.

9. The following list of balances as at 30 September 1999 has been extracted from the books of Brick and Stone, trading in partnership, sharing the balance of profits and losses in the proportions 3:2 respectively.

	Shs.
Printing, stationery and postages	3,500
Sales	322,100
Stock in hand at 1 October 1998	23,000
Purchases	208,200
Rent and rates	10,300
Heat and light	8,700
Staff salaries	36,100
Telephone charges	2,900
Motor vehicle running expenses	5,620
Discounts allowable	950
Discounts receivable	370
Sales returns	2,100
Purchases returns	6,100
Carriage inwards	1,700
Carriage outwards	2,400
Fixtures and fittings at cost	26,000
Provision for depreciation on fixtures	11,200
Motor vehicles at cost	46,000
Provision for depreciation on motor vehicles	25,000
Provision for doubtful debts	300
Drawings: Brick	24,000
Stone	11,000
Current account balances at 1 October 1998: Brick	3,600 cr
Stone	2,400 cr
Capital account balances at 1 October 1998: Brick	33,000
Stone	17,000
Debtors	9,300
Creditors	8,400
Balance at bank	7,700

Additional information

1. Shs. 10,000 is to be transferred from Brick's capital account to a newly opened Brick Loan account on 1 July 1999.
2. Stone is to be credited with a salary at the rate of Shs. 12,000 per annum from 1 April 1999.
3. Stock in hand at 30 September 1999 has been valued at cost at Shs. 32,000.
4. Telephone charges accrued due at 30 September 1999 amounted to Shs. 400 and rent of Shs. 600 prepaid at that date.
5. During the year ended 30 September 1999 Stone has taken goods costing Shs. 1,000 for his own use.
6. Depreciation is to be provided at the following annual rates on the straight line basis;
   Fixtures and fittings 10%
   Motor vehicles 20%.

Required:

(a) Prepare a trading and profit and loss account for the year ended 30 September 1999.

(b) Prepare a balance sheet as at 30 September 1999 which should include summaries of the partners' capital and current accounts for the year ended on that date.

Additional Information

(i) Stock, 30 June 2001, Shs. 650,000

(ii) Expenses to be accrued: Office Expenses Shs. 800, Wages Shs. 1,500

(iii) Depreciate fixtures 10 per cent on reducing balance basis, building Sh. 12,000

(iv) Reduce provision for bad debts to Shs. 3,200.

(v) Partnership salary: Shs. 1,500 to Kirwa.

(vi) Interest on drawings: Kirwa Shs. 1,500 Maina Shs. 1,100

(vii) Interest on Capital account Balances at 10 per cent.

Required:

Prepare a trading and profit and loss appropriation account for the year ended 30 June 2001, and a balance sheet as at that date.

6A. The following balances were taken from the books of Tajiri, Masikini and Mupenda, partners in a wholesale business, on 30th November 2004.

			Shs.
Capital Accounts:			
	Tajiri		120,000
	Masikini		80,000
	Mupenda		40,000
Current Accounts:			
	Tajiri	Cr	24,000
	Masikini	Cr	12,000
	Mupenda	Dr	18,000
Drawings:			
	Masikini		17,400
	Mupenda		10,800

Net trading profits for the year was Shs. 449,700; salary paid to Mupenda during the year was Shs. 82,000.

Their partnership agreement provided the following:

(i) To maintain Fixed Capital Accounts

(ii) Profits and losses to be shared in the ratio of their fixed capital;

(iii) 6% interest per annum to be allowed on capital and 10% interest to be charged on drawings;

(iv) Mupenda to be paid a monthly salary of Shs. 11,000;

(v) To transfer Shs. 30,000 to general reserve.

Required:

Prepare:

(a) Profit and Loss Appropriation Accounts and

(b) Partners' Current Accounts.

7. Njagi Mugaka and Barasa are in partnership with capital of Shs. 200,000; 80,000 and Shs. 20,000 respectively. Their partnership deed provides for the following:

(i) Interest on capital at 4% per annum

(ii) Interest chargeable on drawings at 5% per annum

(iii) Njagi and Mugaka to receive salaries of Shs. 20,000 each per annum

(iv) Njagi, Mugaka and Barasa are to share the profits and losses in the ratio 6:3:1 respectively.

The following information is available for the year ended 30 June 2000:

(i) Current account balances:

	Shs.
Njagi	8,400 (cr)
Mugaka	3,600 (dr)
Barasa	2,300 (cr)

(ii) During the year, quarterly drawings were as follows:

	Shs.
Njagi	2,400
Mugaka	1,800
Barasa	1,800

(iii) Net profit for the year ended 30 June 2000 was Shs. 105,000

Required:

(a) The appropriation account for the year ended 30 June 2000

(b) Partners current accounts

Interest of $2\frac{1}{2}$% is to be charged on drawings.

8A. From the following balances extracted from the books of Mzamil Momanyi and John Wekesa who are partners in a successful retail business, prepare their final accounts for the year ending 30 November 2004.

	Dr	Cr
	Shs.	Shs.
Cash in hand	30,375	
Cash at bank	67,875	
Petty cash in hand	3,000	
Debtors	142,100	
Stock at beginning	35,000	
Premises at cost	250,000	
Fixtures & fittings	28,500	
Motor vehicles at cost	125,000	
Office equipment at cost	40,000	
Provision for depreciation on 1 December 2003:		
Fixtures & fittings		18,000
Premises		100,000

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