Blog Question

Principles of Accounts

Topic: Partnership Class: 10-T Week: 26th Feb. to 2nd March- 18

**Question::**

Bush, Home and Wilson share profits and losses in the ratios 4:1:3 respectively. Their trial

balance as at 30 April 20X4 was as follows:

*Dr Cr*

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Sales 334,618

Returns inwards 10,200

Purchases 196,239

Carriage inwards 3,100

Inventory 30 April 20X3 68,127

Discounts allowed 190

Salaries and wages 54,117

Bad debts 1,620

Provision for doubtful debts 30 April 20X3 950

General expenses 1,017

Business rates 2,900

Postage 845

Computers at cost 8,400

Office equipment at cost 5,700

Provisions for depreciation at 30 April 20X3:

Computers 3,600

Office equipment 2,900

Trade payables 36,480

Trade receivables 51,320

Cash at bank 5,214

Drawings: Bush 39,000

Home 16,000

Wilson 28,000

**Current accounts:** Bush 5,940

Home 2,117

Wilson 9,618

**Capital accounts:** Bush 60,000

Home 10,000

Wilson \_\_\_\_\_\_ 30,000

494,106 494,106

Draw up a set of financial statements for the year ended 30 April 20X4. The following notes are

relevant at 30 April 20X4:

(*i* ) Inventory 30 April 20X4, $74,223.

(*ii* ) Business rates in advance $200; Inventory of postage stamps $68.

(*iii* ) Increase provision for doubtful debts to $1,400.

(*iv*) Salaries: Home $18,000; Wilson $14,000. Not yet recorded.

(*v*) Interest on Drawings: Bush $300; Home $200; Wilson $240.

(*vi* ) Interest on Capitals at 8 per cent.

(*vii* ) Depreciate Computers $2,800; Office equipment $1,100. ‘