G12 ECZ
PRINCIPLES OF ACCOUNTS
2017 GCE
PAPER 2
SOLUTIONS

Grade 12 ECZ Principles of Accounts 2017 GCE Paper 2 (7110/2)

Tuesday 25 July 2017 | 2 hours | Section A (Q1–Q3 all) + Section B (Q4A or Q4B)

The full question paper appears first — worked answers follow.

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Candidate Name ____________________

Centre Number	Candidate Number

EXAMINATIONS COUNCIL OF ZAMBIA

Examination for General Certificate of Education Ordinary Level

Principles of Accounts 7110/2

Paper 2

Tuesday **25 JULY 2017**

Additional materials:
Answer Booklet

Time 2 hours

Instructions to Candidates

1 Write your name, centre number and candidate number in the spaces provided at the top of this page and on the Answer Booklet.

2 There are **two (2)** sections in this paper; Section **A** and **B.**

3 Answer **ALL** questions in Section **A** in the spaces provided.

4 Answer only **one** question in Section **B** (either **4A** or **4B**) on the separate Answer Booklet provided.

5 Both questions in Section **B** carry equal marks.

6 Read carefully the instructions for each question or part of question before you answer it.

Information for Candidates

The number of marks is given in brackets [ ] at the end of each question or part question.

Non Programmable Calculators may be used.

You are given five (5) minutes to read through the paper.

Cell phones are not allowed in the examination room.

MARKS GRID

	Question	Marks
Section A		
Section B		
TOTAL		

Section A

Answer all questions in this section

1 **(a)** Give **three** examples of transactions entered in the General Journal as a Subsidiary Book.

(i) ....

(ii) ....

(iii) .... [3]

(b) Write up K. Lweendo's Bank Account **only** from the following transactions for the month of July 2016

2016	
July 1	Started business with K25 000 in the Bank .
July 2	Bought furniture by cheque K1 500.
July 3	Bought machinery K7 500 on credit from Michelo B.
July 5	Bought a second hand Van paying by cheque K6 000.
July 8	Sold some of the office furniture not suitable for the company on credit to M. Bwalya for K600.
July 15	Paid the amount owing to B. Michelo K7 500 by cheque.
July 23	Received the amount due from M.Bwalya K600 in cash.
July 31	Bought more machinery by cheque, K2 800.

[7]

[Turn over

(c) The following list of balances relate to T. Sausage's business for the month of April 2016:

Sales	90 000
Returns Outwards	6 000
Carriage Inwards	10 000
Wages and Salaries	24 000
Opening Stock	12 000
Capital	20 000
Drawings	5 000
Accounts Receivable	48 000
Accounts Payable	21 000
Bank Overdraft	8 000
Bad Debts	7 500
Purchases	40 000
Discount Received	2 000

You are required to prepare T. Sausage's Trial Balance with the correct heading. [7]

(d) Classify the following items under their appropriate headings namely; Capital Expenditure, Capital Receipts, Revenue Expenditure or Revenue Receipts.

(i) Sale of old motor van.
(ii) Cost of extension to the factory premises.
(iii) Interest received on the mortgage given to G.K Company
(iv) Legal costs on the purchase of a factory machinery.
(v) Cheque paid to a Landlord for rent.

Item	Classification
(i)	
(ii)	
(iii)	
(iv)	
(v)	

[5]

[Total: 22 marks]

2 **(a)** **(i)** State the three types of ledgers

(a) ....

(b) ....

(c) .... [3]

(ii) Define Nominal Accounts and give an example.

....

....

....

.... [2]

(b) L Malumbe is a supplier to H. Bwalya from the details given below.
You are required to prepare L. Malumbe's Account for the month of March 2016 as it would appear in H. Bwalya's books:

2016

March 1	Balance owing to L. Milumbe was K2 130
March 9	H. Bwalya bought goods valued at K2 700 less 20% Trade Discount from Malumbe
March 16	H. Bwalya returned some of the goods to L. Malumbe bought on 9th March list price K900
March 25	H Bwalya paid L. Malumbe the amount due on 1st March by cheque less 2½% cash discount.

[8]

(c) Depreciation which may be defined as the cost of the asset consumed, spread over the useful life of the asset, has three main methods of being recorded. List these three methods of depreciation commonly used.

(i) ....

(ii) ....

(iii) .... [3]

(d) On 1 January 2015, G. Mwamba bought Network Computer Hardware for K9 500. It is to be depreciated by the straight line method at the rate of 20% ignoring salvage value. On 1 January 2017 the system was sold for K4 250.

Prepare the following accounts for the complete period of ownership.

(i) Provision for Depreciation Account. [4]

(ii) The Computer Disposal Account. [2]

[Total: 22 marks]

3 **(a)** **(i)** Briefly explain what a standing (stop) order is.

....

....

.... [2]

(ii) Give **two** reasons for dishonouring a cheque.

....

....

....

.... [2]

(b) Muyunda Habanji's Cash Book (Bank column) showed a debit balance of K39 480 on 30 September 2016. On the same date the Bank Statement was showing a credit balance of K69 050.

Upon investigation the following differences were revealed:

(i) Cheques amounting to K7 690 had been deposited into the Bank but were not yet reflected on the statement.

(ii) Habanji was not aware that the Bank had deducted Bank charges of K595

(iii) Cheques given out to creditors amounted to K28 480 but not yet paid out by the Bank.

(iv) A standing order to Madison Insurance K545 had been made by the Bank but Habanji was not aware until 30 September.

(v) A credit transfer of K9 920 for dividends had been credited on the Bank Statement but was not yet appearing in the Cash Book.

Required:

(i) Update Habanji's Cash Book to show the true balance on 30 September 2016. [5]

(ii) Draw a statement with correct heading to reconcile the Cash Book balance. [6]

(i)

(ii)

[Turn over

(c) Njavwa Njelani did not keep a complete set of books for his business. However the following balances were found at the end of the year 31 December 2016.

	K
Capital at 1 January 2016	35 000
Capital at 31 December 2016	80 000
Cash from private resources put into business during the year	10 000
Drawings during the year	12 000
General repairs to Premises	5 000
Depreciation of Assets	6 500

You are required to draw up Njelani's Statement of Profit and Loss for the year ending 31 December 2016. [7]

[Total: 22 marks]

Section B

Answer only **one** question from this section on the Answer Booklet provided.

Answer either **4(a)** or **4(b)** **not** both.

Either

4 **(a)** Nakonde Sports Club had the following assets and liabilities as at 1 January 2016.

	K
Equipment	3 600
Subscriptions in arrears	195
Subscriptions in Advance	30
Owing to suppliers of Refreshments	174
Stock of refreshments	114

The following is a summary of Receipts and Payments for the year ended 30 September 2016

Receipts	**K**	**Payments**	**K**
Balance 1/1/2016	630	Camping expenses	489
Sales of Refreshments	1 311	Rent	4 206
Subscriptions	5 961	Hire of ground	3 825
Donations	531	Donations to charity	105
VAT refund	1 500	Cost of Refreshments	810
Balance (OD) c/d	39	Advertising and stationery	537
	9 972		**9 972**

The following information is also available at 30 September 2016

	K
Equipment	2 850
Subscriptions in arrears	255
Subscriptions in Advance	121
Owing to suppliers of Refreshments	204
Stock of refreshments	138

Required:

(a) Calculate the accumulated fund [4]

(b) Refreshments Trading Account for the year ended 31 December 2016. [6]

(c) Income and Expenditure Account for the year ended 31 December 2016. [11]

(d) Balance Sheet as at 31 December 2016. [13]

[Total: 34 marks]

OR

4 **(b)** Winter and Edith are in partnership sharing profits and losses in the ratio 2:1. The following balances were extracted from the business on 31 December 2016.

	K
Provision for depreciation of Motor Vehicles	3 000
Provision for depreciation of Fittings	2 000
Bank	950
Drawings: Winter	2 000
Edith	600
Motor Vehicles at cost	35 000
Fittings at cost	12 000
Premises	20 000
Rent Received	500
Debtors	25 700
Creditors	15 600
Current accounts: Winter	600
Edith	0
Provision for Doubtful Debts	950
Gross Profit	32 000
Heating and Lighting	1 400
Wages and Salaries	4 100
Cash	600
Capital Accounts: Winter	35 000
Edith	12 000

At 31 December, 2016 the following information needs to be taken into consideration:

(i) The provision for Doubtful Debts is to be maintained at 3% of debtors.

(ii) Rent Received of K100 has been paid in advance

(iii) A heating invoice of K100 has not yet been paid.

(iv) K200 wages have been prepaid

(v) Depreciation needs to be provided on the following basis

- Motor vehicles at 10% using straight line method
- Fittings at 15% using reducing balance method

(vi) The partnerships agreement provides for the following:

- Interest on drawings is charged at the rate of 6% per annum
- Interest on capital is allowed at the rate of 8% per annum
- Edith is to receive a salary of K3 263 per annum

You are required to prepare:

(a) Partnership Profit and Loss Account for the year ended 31 December 2016. [7½]

(b) Partnership Appropriation Account for the year ended 31 December 2016. [7]

(c) Partnership Current Accounts for the year ended 31 December 2016 [7]

(d) The Balance Sheet as at 31 December 2016. [12½]

[Total: 34 marks]

Question 1(a). Give THREE examples of transactions entered in the General Journal as a Subsidiary Book.

Answer: 1. Opening entries — recording the initial assets and liabilities when a business first begins.

Answer: 2. Purchase or sale of fixed assets on credit — e.g., buying machinery on credit from a supplier.

Answer: 3. Correction of errors — adjusting accounts when mistakes are discovered (e.g., a posting to the wrong account).

Other valid examples: closing transfers to Trading/P&L; writing off bad debts; capital introduced in kind.

Question 1(b). Write up K. Lweendo's Bank Account ONLY for July 2016. (Credit purchases and credit sales do not pass through the Cash Book.)

Jul 1: Started business — Dr Bank K25,000; Cr Capital K25,000 → Bank Dr K25,000.

Jul 2: Bought furniture by cheque → Cr Bank K1,500.

Jul 3: Bought machinery K7,500 on CREDIT from Michelo B → no cash involved; omit from Bank Account.

Jul 5: Bought second-hand Van by cheque → Cr Bank K6,000.

Jul 8: Sold furniture on CREDIT to M. Bwalya K600 → no cash; omit from Bank Account.

Jul 15: Paid Michelo B K7,500 by cheque → Cr Bank K7,500.

Jul 23: Received K600 from Bwalya in CASH → goes in the Cash column, NOT the Bank column; omit from Bank Account.

Jul 31: Bought more machinery by cheque → Cr Bank K2,800.

K. LWEENDO BANK ACCOUNT — JULY 2016:

Dr: Jul 1 Capital K25,000 | Bal c/d K7,200 = K25,000.

Answer: Cr: Jul 2 Furniture K1,500 | Jul 5 Van K6,000 | Jul 15 B. Michelo K7,500 | Jul 31 Machinery K2,800 = K17,800 + Bal c/d K7,200 = K25,000.

Answer: Closing Bank Balance (Dr) = K25,000 – K1,500 – K6,000 – K7,500 – K2,800 = K7,200.

Question 1(c). Prepare T. Sausage's Trial Balance with correct heading for the month of April 2016.

CLASSIFICATION (Dr = expenses + drawings + assets; Cr = income + liabilities + capital):

Dr: Carriage Inwards K10,000 | Wages and Salaries K24,000 | Opening Stock K12,000 | Drawings K5,000 | Accounts Receivable K48,000 | Bad Debts K7,500 | Purchases K40,000 = K146,500.

Cr: Sales K90,000 | Returns Outwards K6,000 | Capital K20,000 | Accounts Payable K21,000 | Bank Overdraft K8,000 | Discount Received K2,000 = K147,000.

Answer: NOTE: The given figures show Dr K146,500 vs Cr K147,000 (difference K500) — the source list appears to have a minor error; marks are awarded for correct Dr/Cr placement of

each item.

Question 1(d). Classify each item under: Capital Expenditure, Capital Receipt, Revenue Expenditure, or Revenue Receipt.

Answer: (i) Sale of old motor van → Capital Receipt. Proceeds from disposal of a fixed asset are a capital receipt.

Answer: (ii) Cost of extensions to factory premises → Capital Expenditure. Permanently improves and extends a fixed asset.

Answer: (iii) Interest received on mortgage given to G.K. Company → Revenue Receipt. Regular income from a financial investment.

Answer: (iv) Legal costs on purchase of factory machinery → Capital Expenditure. Legal fees incurred to acquire a fixed asset are added to that asset's cost.

Answer: (v) Cheque paid to Landlord for rent → Revenue Expenditure. A recurring operating cost that does not create or improve an asset.

Question 2(a). (i) State the three types of ledgers. (ii) Define Nominal Accounts and give an example.

Answer: (i) Three types of ledgers: 1. Sales Ledger (Debtors' Ledger) — holds individual debtor accounts. 2. Purchases Ledger (Creditors' Ledger) — holds individual creditor accounts. 3. General Ledger (Nominal Ledger) — holds all other accounts: income, expenses, assets, and capital.

Answer: (ii) Nominal Accounts are accounts that record income, expenses, gains, and losses. They are temporary — balances are transferred to the Profit and Loss Account at year-end and the accounts start fresh each period. Example: Wages Account (expense) or Sales Account (income).

Question 2(b). Prepare L. Malumbe's Account for March 2016 as it appears in H. Bwalya's books. (Malumbe supplies to Bwalya → Malumbe is a CREDITOR; the account appears in the Purchases Ledger.)

March 1: Opening balance owed to Malumbe K2,130 → Cr K2,130.

March 9: Goods K2,700 less 20% Trade Discount = K2,700 × 80% = K2,160 → Cr L. Malumbe K2,160; Dr Purchases K2,160.

March 16: Returns to Malumbe: list price K960 less 20% TD = K960 × 80% = K768 → Dr L. Malumbe K768; Cr Returns Outwards K768.

March 25: Paid the opening balance K2,130 by cheque less 2½% cash discount.

Cash discount = 2.5% × K2,130 = K53.25. Cheque payment = K2,130 – K53.25 = K2,076.75.

L. MALUMBE ACCOUNT (H. Bwalya's Purchase Ledger):

Dr: Mar 16 Returns Outwards K768 | Mar 25 Bank K2,076.75 | Mar 25 Discount Received K53.25 | Bal c/d K1,392 = K4,290.

Answer: Cr: Mar 1 Balance b/d K2,130 | Mar 9 Purchases K2,160 = K4,290. ✓

Answer: Balance c/d K1,392 Cr — amount still owed to Malumbe for March 9 goods.

Question 2(c). List the three methods of recording depreciation commonly used.

Answer: 1. Straight-Line Method (Fixed Instalment Method): equal annual amount based on cost, estimated life, and residual value.

Answer: 2. Reducing Balance Method (Diminishing Balance): fixed percentage applied to the net book value each year (higher charge in early years).

Answer: 3. Revaluation Method: asset is revalued at each year-end; depreciation = opening value – closing valuation.

Question 2(d). G. Mwamba bought Network Computer Hardware for K9,500 on 1 Jan 2015. Depreciate 20% SL, no residual value. Sold 1 Jan 2017 for K4,250. Prepare: (i) Provision for Depreciation Account; (ii) Computer Disposal Account.

Annual depreciation = 20% × K9,500 = K1,900. Period of ownership: 2 years (2015 and 2016).

Accumulated provision at 1 Jan 2017 (date of sale): K1,900 + K1,900 = K3,800.

PROVISION FOR DEPRECIATION OF NETWORK COMPUTER HARDWARE:

2015: Dr Balance c/d K1,900 | Cr P&L; (Dep'n) K1,900. Totals K1,900.

2016: Dr Balance c/d K3,800 | Cr Balance b/d K1,900 + P&L; (Dep'n) K1,900 = K3,800. Totals K3,800.

Answer: 1 Jan 2017 (sale): Dr Disposal K3,800 | Cr Balance b/d K3,800. Provision account closes.

COMPUTER HARDWARE DISPOSAL ACCOUNT:

Dr: Asset at Cost K9,500.

Cr: Provision for Dep'n K3,800 | Bank (sale proceeds) K4,250 | P&L; — Loss on Disposal K1,450.

Answer: Total Dr = K9,500; Total Cr = K3,800 + K4,250 + K1,450 = K9,500. ✓

Answer: Loss on disposal = NBV K5,700 – Proceeds K4,250 = K1,450. Charged to P&L; Account.

Question 3(a). (i) Briefly explain what a standing (stop) order is. (ii) Give two reasons for dishonouring a cheque.

Answer: (i) A STANDING ORDER is a written instruction by a customer to their bank to pay a fixed amount to a named payee at regular intervals (e.g., weekly, monthly) until the instruction is cancelled. It is initiated and controlled by the payer. Example: regular rent payments of K500 per month.

Answer: (ii) Two reasons a bank may dishonour (refuse to pay) a cheque: 1. Insufficient funds — the account balance is too low to cover the amount stated. 2. Signature mismatch — the drawer's signature on the cheque does not match the specimen signature held by the bank.

Question 3(b). Muyunda Habarji's Cash Book (Bank column) shows Dr balance K39,480 on 30 Sep 2016. Bank Statement shows Cr balance K69,050. Five differences found.

STEP 1 — UPDATE THE CASH BOOK (items Habarji was unaware of):

(ii) Bank charges K595 → Cr Cash Book (reduce balance): CB K39,480 – K595 = K38,885.

(iv) Standing order Madison Insurance K545 → Cr Cash Book: K38,885 – K545 = K38,340.

(v) Credit transfer (dividends) K9,920 → Dr Cash Book: K38,340 + K9,920 = K48,260.

Answer: Updated (True) Cash Book balance = K48,260 Dr.

STEP 2 — BANK RECONCILIATION STATEMENT (starting from Bank Statement):

Balance per Bank Statement: K69,050

Add: Deposits in transit (not yet on statement) [(i) K7,690]: K76,740.

Less: Outstanding cheques (issued but not yet presented) [(iii) K28,480]: K48,260.

Answer: Adjusted Bank Statement balance = K48,260. ✓ Matches updated Cash Book balance.

Question 3(c). Njavwa Njelani — incomplete records. Draw up Statement of Profit and Loss for year ending 31 December 2016. Given: Capital 1 Jan K35,000; Capital 31 Dec K80,000; Capital introduced K10,000; Drawings K12,000; General Repairs K5,000; Depreciation K6,500.

Using the Capital Comparison method:

Net Profit = Closing Capital + Drawings – Capital Introduced – Opening Capital.

= K80,000 + K12,000 – K10,000 – K35,000 = K47,000.

NJELANI — STATEMENT OF PROFIT AND LOSS for year ended 31 December 2016:

Capital at 31 December 2016: K80,000

Add: Drawings during the year: K12,000

K92,000

Less: Capital introduced during the year: (K10,000)

Capital at 1 January 2016: (K35,000)

Answer: Net Profit for the year = K47,000.

NOTE: General Repairs K5,000 and Depreciation K6,500 are expenses already reflected in the closing capital figure K80,000 (assets minus liabilities at 31 Dec, after all expenses). They need not be separately deducted when using this capital-comparison approach.

Question 4A(a). [SECTION B — Q4A] Naionde Sports Club. Calculate the Accumulated Fund at 1 January 2016.

OPENING STATEMENT OF AFFAIRS at 1 January 2016:

Assets: Equipment K3,600 + Subscriptions in arrears K195 + Stock of refreshments K114 + Cash K630 = K4,539.

Liabilities: Subscriptions in advance K30 + Owing to suppliers of refreshments K174 = K204.

Answer: Opening Accumulated Fund = K4,539 – K204 = K4,335.

Question 4A(b). Prepare the Club Refreshments Trading Account for year ended 30 September 2016.

ADJUSTING FOR CREDITORS: Purchases = Cash paid K810 + Closing creditors K204 – Opening creditors K174 = K840.

REFRESHMENTS TRADING ACCOUNT:

Sales: K1,311.

Opening Stock K114 + Purchases K840 – Closing Stock K138 = COGS K816.

Answer: Gross Profit on Refreshments = K1,311 – K816 = K495.

Question 4A(c). Prepare the Income and Expenditure Account for year ended 30 September 2016.

SUBSCRIPTIONS ACCOUNT (to find I&E; income):

Cr: Advance b/d K30 + Cash K5,961 + Closing arrears c/d K255 = K6,246.

Dr: Opening arrears b/d K195 + Advance c/d K121 + I&E; K5,930 = K6,246.

Answer: Subscriptions income (I&E;) = K5,930.

INCOME AND EXPENDITURE ACCOUNT:

Income: GP Refreshments K495 + Subscriptions K5,930 + Donations K531 + VAT refund K1,500 = K8,456.

Expenditure: Camping K489 + Rent K4,206 + Hire of ground K3,825 + Donations to charity K105 + Advertising & stationery K537 + Dep'n Equipment (K3,600 – K2,850) K750 = K9,912.

Answer: Deficit for the year = K9,912 – K8,456 = K1,456.

Question 4A(d). Prepare the Balance Sheet as at 30 September 2016.

NOTE: Balance (OD) c/d K39 is on the RECEIPTS side of R&P;, meaning closing cash balance is an OVERDRAFT of K39 — a current liability.

FIXED ASSETS: Equipment K2,850.

CURRENT ASSETS: Stock of refreshments K138 + Subscriptions in arrears K255 = K393.

CURRENT LIABILITIES: Subscriptions in advance K121 + Creditors (refreshments) K204 + Bank overdraft K39 = K364.

Answer: Net Current Assets = K393 – K364 = K29.

Answer: NET ASSETS = K2,850 + K29 = K2,879.

ACCUMULATED FUND:

Answer: Opening AF K4,335 – Deficit K1,456 = Closing AF K2,879. ✓

Question 4B(a). [SECTION B — Q4B ALTERNATIVE] Winter and Edith partnership (ratio 2:1). Prepare the P&L; Account for year ended 31 December 2016.

ADJUSTMENTS:

1. PDD: Required = 3% × K25,700 = K771. Current K950 → Decrease K179 → income.
2. Rent Received: K500 less K100 advance = K400 net income.
3. H&L;: K1,400 + K100 accrual = K1,500.
4. Wages: K4,100 – K200 prepaid = K3,900.
5. MV dep'n: 10% SL × K35,000 = K3,500.
6. Fittings dep'n: 15% RB × (K12,000 – K2,000) = 15% × K10,000 = K1,500.

P&L; ACCOUNT:

Income: Gross Profit K32,000 + PDD decrease K179 + Rent Received K400 = K32,579.

Expenses: Wages K3,900 + H&L; K1,500 + MV dep'n K3,500 + Fittings dep'n K1,500 = K10,400.

Answer: Net Profit = K32,579 – K10,400 = K22,179.

Question 4B(b). Prepare the Partnership Appropriation Account for year ended 31 December 2016.

Net Profit: K22,179.

Add: Interest on Drawings — Winter 6% × K2,000 = K120; Edith 6% × K600 = K36. Total IoD K156.

Profit available for distribution: K22,179 + K156 = K22,335.

Less: Edith Salary K3,263 | IoC Winter 8% × K35,000 = K2,800 | IoC Edith 8% × K12,000 = K960.

Total deductions: K7,023.

Balance for sharing in ratio 2:1: K22,335 – K7,023 = K15,312.

Answer: Winter 2/3 × K15,312 = K10,208; Edith 1/3 × K15,312 = K5,104.

Question 4B(c). Prepare the Partnership Current Accounts for year ended 31 December 2016.

Opening balances: Winter K600 Dr (debit — overdraw position); Edith K0.

WINTER CURRENT ACCOUNT:

Dr: Opening K600 + Drawings K2,000 + IoD K120 = K2,720.

Cr: IoC K2,800 + Profit share K10,208 = K13,008.

Answer: Closing balance = K13,008 – K2,720 = K10,288 Cr.

EDITH CURRENT ACCOUNT:

Dr: Drawings K600 + IoD K36 = K636.

Cr: Opening K0 + Salary K3,263 + IoC K960 + Profit share K5,104 = K9,327.

Answer: Closing balance = K9,327 – K636 = K8,691 Cr.

Question 4B(d). Prepare the Balance Sheet as at 31 December 2016.

FIXED ASSETS:

Motor Vehicles: Cost K35,000; Accum dep'n K3,000 + K3,500 = K6,500; NBV K28,500.

Fittings: Cost K12,000; Accum dep'n K2,000 + K1,500 = K3,500; NBV K8,500.

Answer: Premises: K20,000 (no depreciation stated). Total FA = K57,000.

CURRENT ASSETS: Debtors K25,700 – PDD K771 = K24,929; Bank K950; Cash K600; Prepaid Wages K200. Total CA = K26,679.

CURRENT LIABILITIES: Creditors K15,600; Rent in advance K100; Accrued H&L; K100. Total CL = K15,800.

Answer: Net CA = K10,879. NET ASSETS = K57,000 + K10,879 = K67,879.

FINANCED BY:

Answer: Fixed Capital: Winter K35,000 + Edith K12,000 = K47,000.

Answer: Current Accounts: Winter K10,288 Cr + Edith K8,691 Cr = K18,979.

Answer: Total Partners' Funds = K65,979.

NOTE: The source TB carries a K1,900 imbalance (Dr K102,950 vs Cr K101,050). This discrepancy flows to a K1,900 difference between Net Assets K67,879 and Partners' Funds K65,979. All accounts above are prepared correctly from the given data.

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