This case was written by Rohaida Abdul Latif, Robiah Abu Bakar, Samihah Saad @ Ismail and Norita Deraman, UUM College of Business. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making. The author/s may have disguised names, financial and other recognizable information to protect confidentiality.
Introduction

Tadika Bonda was first established as a tuition and nursery centre in 2003. Situated in the middle of Taman Kenanga, Tadika Bonda was easy for parents to locate. The centre was established by young women entrepreneurs, including a few who had graduated with bachelor’s degrees in Business Administration and MBA from local universities. Rosmah, Sakinah, Suraya, Asma and Mazni started up the business with only RM2,500. In a year’s time, Tadika Bonda opened up a new branch in another populated residential area, Taman Mawar Jaya, Jitra, Kedah.

From 2004, Tadika Bonda became a full-pledged kindergarten that provides kindergarten classes, transit services, Kelas Agama dan Fardhu Ain (KAFA), Iqra, and Al Quran memorising classes for children. Tadika Bonda was established to play a vital role in the development of a quality society that is based on firm Islamic values and identity in the face of current challenges. Parents from all walks of life, i.e. from medical specialists to cleaners, choose to send their children for education and care at Tadika Bonda.

Managers and teachers of Tadika Bonda were all excited with the current progress of the kindergarten. More and more parents have approached Tadika Bonda’s teachers and managers on their intention to send their children to Tadika Bonda. Therefore it is critical for Puan Rosmah, the financial manager of Tadika Bonda to appropriately measure the financial performance of each branch for the purpose of planning and monitoring. Based on the financial evaluation, Puan Rosmah would be able to decide on whether it is viable for Tadika Bonda to open up a new branch to accommodate prospective children.

School Environment

Tadika Bonda’s primary mission is to provide holistic, quality and affordable education to all, irrespective of belief and colour. Though there are many other kindergartens, Tadika Bonda stands out for its ability to provide quality Islamic education at affordable rates. Further, its location in the residential areas within a safe environment also attracts more parents to send their kids. For some residential areas, hygienic aspects might be questionable, but the management of Tadika Bonda promised to ensure reasonable cleanliness as required in Islam.

Tadika Bonda operates every day from 7.00 a.m till 6.00 p.m except Fridays and Saturdays. The kindergarten classes are organised according to a range of children’s ages. Overall, the child to teacher ratio is 20:1, which is relatively normal to most kindergartens in Malaysia. However, under Section 5 and Schedule I of Akta Taman Asuhan Kanak-Kanak 1984 (the Kindergarten Act 1984), the child to caregiver ratio is 5:1 for the age of 3 years old and below, and 10:1 for 3-4 years old. Children between 4-10 years old are bound by Section 4 Akta Pusat Jagaan 1993 (The Care Centre Act 1993) and Schedule II Peraturan-Peraturan Pusat Jagaan 1994 (Rules for Care Centre 1994). The child to caregiver ratio for this age category is 18:1.

Growth

Good economic conditions, growing population and increased awareness among parents, have amplified the demand for quality education and care centres for children. Being talented, educated and caring are essential qualities of the teachers at Tadika Bonda. These traits have largely attracted the attention of the children as well as their experienced parents. Children feel cared for and parents are reassured knowing that their children are safe and sound. No wonder in just another one year, Tadika Bonda in Taman Mawar Jaya was booked to full capacity. With more than 75 children enrolling in the branch, there was not enough space for everybody and sometimes it appeared like a
It was quite hard for the children to concentrate and it was difficult too for the teachers to control the situation. The teachers believed that they need to open up another branch. The management felt that the following year, year 2005, would be a prime time to consider expanding.

**New Management**

In 2005, the management of Tadika Bonda expanded its business. The management believed that they could provide quality education and care to many more children. They felt obliged to serve the community. With a personal loan of RM10,000, Tadika Bonda opened up new kindergartens: one is located in Taman Cempaka, Alor Setar, and another in Taman Tanjung, Jitra.

As the business expanded, there are many chores and tasks that need to be addressed. The management believed that they needed a full-time leader who could help manage their business well. In 2008, Encik Mokhtar Ali was appointed as their first general manager. They appointed branch managers for all of the branches. The organisation chart for Tadika Bonda is included in Appendix I.

**Staff Workload**

As a new general manager, Encik Mokhtar is responsible for the successful operation of all branches of Tadika Bonda. Encik Mokhtar is the husband of Puan Mazni Manaf who is also the branch manager of Tadika Bonda – Taman Mawar Jaya. At 6.45 in the morning, Encik Mokhtar will start up his second-hand, 2002 silver Toyota van to fetch school children from nearby residential areas to the nearby schools. This is another extended service that Tadika Bonda provided for the parents. Later, Encik Mokhtar will fetch these children again and send them to Tadika Bonda – Taman Tanjung branch for KAFA, Iqra, or Quran memorising classes. These children usually stay at the tadika until their parents return from offices, which may extend beyond normal office hours.

The Tadika also organises other classes such as mental arithmetic (Sempua) and martial arts classes (Taekwondo) for those interested. These classes are handled by certified teachers and are conducted only on weekends. All fees for these services are paid directly to relevant teachers conducting the classes. A minimal monthly fee of RM50 per class is charged for rental of the tadika’s premises.

All the branch managers are responsible for the daily operations of their respective kindergartens. Additionally, they also teach the children. They teach reading, writing and arithmetic as the foundations to learning. They focus on Bahasa Malaysia, the main medium of instruction, which is also the National Language of the country. Arabic Language is also taught to nurture the love of Al Quran language and the language used in Allah’s Paradise. English Language as the most important language of the world is also emphasised upon in the curriculum. Using the collaborative approach to encourage collective learning through the spirit of brotherhood (ukhuwah) and teamwork (jamaah), children are exposed to arts and crafts classes and physical education activities. Tadika Bonda employs several teaching assistants to help teachers conduct classes and prepare meals.

It is the teachers’ motivation to love and care for these children, to instill in each and every one of them strong faith and love for Allah, to inspire them to exemplify the Prophet Muhammad SAW as the best teacher of mankind and to ensure these children are not Quran-illiterate. These children are taught to love performing the daily solat (prayer) as this is the mainstay for every Muslim. The verses of Al-Quran are repeated daily so that they are ingrained in the children’s hearts and minds. Above all, it is very important to show these children the concept of ad Deen, that is, Islam as a way of life. Lessons are thought gradually, so that these children can absorb them willingly according to their own pace.
Staff Training

Staff training is rather limited. Given the staff workload coupled with expensive courses, it is understandable that Tadika Bonda could not provide much staff training. Once in a while, Tadika Bonda in collaboration with non-governmental organisations will arrange and organise courses for the staff and the public. For example, in May 2010, Tadika Bonda together with a local non-governmental organisation (Semangat Kejiranan) organised a one-day seminar for parents, teachers, and interested participants to discuss issues towards developing virtuous and bright children according to Sunnah (Rasulullah SAW guidance) and Science. In order to stay focused, Tadika Bonda provides in-house staff training. Usually, the training is conducted by the senior staff or a religious leader.

Staff Turnover

Only the Tadika Bonda’s managers are permanent teachers. The other teachers are not permanent. Usually these non-permanent teachers have qualified credentials but are waiting for other more secured jobs. They are working at Tadika Bonda to gain some experience and income. Alas, nothing much can be done as Tadika Bonda could only offer them low remuneration package which is below a government servant’s salary, with small bonuses and certainly no glamour. Income that is just enough to get by. Therefore, it is quite often that Tadika Bonda will have some problems replacing the teachers especially in late June every year. For young and motivated teachers, this is usually the time that they will leave Tadika Bonda for a better offer or to further their studies elsewhere. Nevertheless, staff turnover is not a real headache. Often, Encik Mokhtar and the other managers are quick to respond to staff shortage.

Financial Performance

What really is a problem is to determine the performance of each Tadika Bonda branch. As Puan Rosmah puts it, “How do we evaluate ourselves, financially? None of the managers have a degree in accounting or finance. I’m trying to help Tadika Bonda in whatever capacity that I could. But I’m not an accounting or a finance graduate”. Often, they will get some help from their family or friends on issues concerning finance.

As mentioned earlier, Tadika Bonda was established to provide quality education and care for children at affordable rates. It is hoped that with these services, Tadika Bonda could help nurture pious, well-mannered, bright, and cheerful children. It is Tadika Bonda’s aspiration to provide services that parents can rely on. Thus, financial reward is only a secondary issue to these managers.

Nevertheless, in today’s rigorous environment, money matters. Understanding the importance of managing the financial matters correctly may help a business to plan for better business strategies and opportunities. The board of managers which consists of the founders and managers has expressed its concerns over the performance of Tadika Bonda – Taman Cempaka branch. For two consecutive years, the financial performance was under par. The board is thinking about closing the branch to save costs. On the other hand, the existence of Tadika Bonda in Taman Cempaka is vital. It provides employment for the staff and services to the community. This branch is located in Taman Cempaka residential area where two other kindergartens are located.
As the financial manager, Puan Rosmah believes that it is crucial to examine the performance of each branch for planning and monitoring purposes. She has provided relevant information sufficient to analyse the performance of each branch (Please refer to Appendix II). Your team has agreed to help Puan Rosmah in preparing the analysis.

Other Activities

The months of January to November are normal months for Tadika Bonda. Income generated is rather stable during these first eleven months (January to November). Income generated during January is usually higher than other months because all annual fees are collected in January. However, December is the holiday month in Malaysia. Like all school children, Tadika Bonda’s children will be on holidays too. They do not go to school and spend most of their time at home. Only nursery services would be available during the month of December.

For children whose parents both work, taking care of children during school holidays poses a great challenge. Finding a nanny or “bibik” is a daunting task nowadays. Beginning 2009, Tadika Bonda took the initiative to arrange programmes or activities during school holidays. These activities are carried out to ensure continuous guidance and to manage support groups for young children. Through these activities and programmes, children are exposed to activities that will stimulate their physical growth, nurture their mind and soul, and establish healthy peer groups and friendship according to Al’Quran and Hadith. Through these years, Tadika Bonda managed to conduct several programmes including Solat Camp (Kem Solat), Young Da’i (Pendakwah Muda), Nazim club for young leaders, Love Yourself programme, and field trips. These programmes proved to be very successful and achieved the targeted objectives.

The following pages include figure 1: the organization chart for Tadika Bonda and relevant financial information related to the operation of Tadika Bonda for the year 2010.
**Figure 1:** Organization chart of Tadika Bonda

![Organization Chart](image)

**TADIK BONDA**

**Organisation Chart**

- **General Manager**
  - Mokhtar Ali

- **Financial Manager**
  - Rosmah Jaafar

- **Branch Manager**
  - **Taman Kenanga**
    - Zuraini Ahmad
  - **Taman Mawar Jaya**
    - Mazni Manaf

- **Branch Manager**
  - **Taman Tanjung**
    - Asma Mohd Nor
  - **Taman Cempaka**
    - Mastura Mahmud
Financial Data

Financial data for Tadika Bonda is provided according to the following groups:

2.1 Services provided.
2.2 Fees for services.
2.3 Other incomes.
2.4 Employee information.
2.5 Expenses.
2.6 Assets value.
2.7 Information on partnership.
2.8 Other information

Services Provided for Each Branch in 2010 are as follows:

<table>
<thead>
<tr>
<th>Services Provided:</th>
<th>Cempaka Branch</th>
<th>Mawar Jaya Branch</th>
<th>Tanjung Branch</th>
<th>Kenanga Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Total number of registered students for year 2010</td>
<td>71</td>
<td>149</td>
<td>120</td>
<td>44</td>
</tr>
<tr>
<td>ii. Number for students enrolled in TADIKI – 6 years old</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– 5 years old</td>
<td>25</td>
<td>44</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>– 4 years old</td>
<td>11</td>
<td>8</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>TADIKI – boys</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– girls</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>TADIKI – girls</td>
<td>16</td>
<td>24</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>iii. Number for students enrolled in KAFA classes</td>
<td>14</td>
<td>40</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>iv. Number of students enrolled in after class DAY CARE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– up to 3 pm</td>
<td>11</td>
<td>25</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>– up to 5 pm</td>
<td>9</td>
<td>19</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>v. Van services</td>
<td>0</td>
<td>8</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>vi. Number for students enrolled for nursery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– up to 1 pm</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>– up to 3 pm</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>– up to 5 pm</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>vii. Other services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sempua classes</td>
<td>0</td>
<td>8</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Taekwondo</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>0</td>
</tr>
</tbody>
</table>
List of Fees for Services Provided for Normal Months (Jan-Nov) 2010:

<table>
<thead>
<tr>
<th>Annual fees per child:</th>
<th>RM</th>
<th>Monthly fees per child:</th>
<th>RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>30</td>
<td>TADIKA</td>
<td>100</td>
</tr>
<tr>
<td>Sports</td>
<td>70</td>
<td>KAFA</td>
<td>30</td>
</tr>
<tr>
<td>Selling price for a girl’s uniform</td>
<td>30</td>
<td>DAY CARE up to 3 pm up to 5 pm</td>
<td>40 70</td>
</tr>
<tr>
<td>Selling price for a boy’s uniform</td>
<td>30</td>
<td>TRANSIT (after school)</td>
<td>50</td>
</tr>
<tr>
<td>Stationeries (inclusive of assessment and reports)</td>
<td>80</td>
<td>NURSERY up to 1 pm up to 3 pm up to 5 pm</td>
<td>100 140 170</td>
</tr>
<tr>
<td>Books according to age - 4 years</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 years</td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling price - sports’ blouse/ t-shirt</td>
<td>20</td>
<td>Rent charged for Sempua class</td>
<td>50</td>
</tr>
<tr>
<td>-for a girl</td>
<td>15</td>
<td>Rent charged for Taekwondo class</td>
<td>50</td>
</tr>
<tr>
<td>-for a boy</td>
<td></td>
<td>Van fee charged for a student</td>
<td>70</td>
</tr>
<tr>
<td>Other annual fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field trip –optional. (Half of the TADIKA’s students participate)</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convocation (for all 6th year kids-TADIKA)</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ihtifal (end of the year award ceremony—all children enrolled in TADIKA will participate)</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other fees charged:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling price for a girl’s uniform</td>
<td>30</td>
<td>Rent charged for Sempua class</td>
<td>50</td>
</tr>
<tr>
<td>Selling price for a boy’s uniform</td>
<td>30</td>
<td>Rent charged for Taekwondo class</td>
<td>50</td>
</tr>
<tr>
<td>Van fee charged for a student</td>
<td>70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Income Received for December 2010 Only:

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Cempaka Branch (RM)</th>
<th>Mawar Jaya Branch (RM)</th>
<th>Tanjung Branch (RM)</th>
<th>Kenanga Branch (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solat Camp - 2 days</td>
<td>200</td>
<td>200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young Da’i - 3 days</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nazim Club - 4 days</td>
<td>300</td>
<td>480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Love Yourself - 1 day</td>
<td>250</td>
<td>300</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>
Employees for Each Branch

Salaries for employees are paid equally through the year 2010.

<table>
<thead>
<tr>
<th>EMPLOYEE:</th>
<th>Cempaka Branch</th>
<th>Mawar Jaya Branch</th>
<th>Tanjung Branch</th>
<th>Kenanga Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of managers</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total number of teachers</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total number of teaching assistants</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total number of cooks</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly salary (RM)</th>
<th>Cempaka Branch</th>
<th>Mawar Jaya Branch</th>
<th>Tanjung Branch</th>
<th>Kenanga Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>834</td>
<td>1680</td>
<td>900</td>
<td>834</td>
</tr>
<tr>
<td>Teacher 1</td>
<td>740</td>
<td>712</td>
<td>672</td>
<td>-</td>
</tr>
<tr>
<td>Teacher 2</td>
<td>0</td>
<td>672</td>
<td>668</td>
<td>-</td>
</tr>
<tr>
<td>Teaching assistant</td>
<td>0</td>
<td>500</td>
<td>550</td>
<td>-</td>
</tr>
<tr>
<td>Cook</td>
<td>668</td>
<td>675</td>
<td>668</td>
<td>560</td>
</tr>
</tbody>
</table>

The monthly salaries for employees of the headquarters are as follows:

General Manager     RM1,600  
Financial manager    RM1,000

Monthly Expenses for Each Branch in 2010 are as Follows:

<table>
<thead>
<tr>
<th>Monthly expenses (RM)</th>
<th>Cempaka Branch</th>
<th>Mawar Jaya Branch</th>
<th>Tanjung Branch</th>
<th>Kenanga Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-Nov</td>
<td>Dec</td>
<td>Jan-Nov</td>
<td>Dec</td>
<td>Jan-Nov</td>
</tr>
<tr>
<td>Rent</td>
<td>800</td>
<td>800</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Electricity bill</td>
<td>180</td>
<td>75</td>
<td>260</td>
<td>150</td>
</tr>
<tr>
<td>Water bill</td>
<td>40</td>
<td>40</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Telephone bill</td>
<td>44</td>
<td>44</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Other bills:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Groceries</td>
<td>320</td>
<td>100</td>
<td>540</td>
<td>320</td>
</tr>
<tr>
<td>Supplies</td>
<td>147</td>
<td>50</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Transport</td>
<td>0</td>
<td>0</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>80</td>
<td>50</td>
<td>100</td>
<td>60</td>
</tr>
</tbody>
</table>

The monthly salaries for employees of the headquarters are as follows:

General Manager     RM1,600  
Financial manager    RM1,000

Monthly Expenses for Each Branch in 2010 are as Follows:
## Estimated Value of Assets at 31 December 2010

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Cempaka Branch (RM)</th>
<th>Mawar Jaya Branch (RM)</th>
<th>Tanjung Branch (RM)</th>
<th>Kenanga Branch (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Van</td>
<td>-</td>
<td>-</td>
<td>14,000</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>TV</td>
<td>350</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>Video players</td>
<td>99</td>
<td>109</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Playground apparatus</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>Racks</td>
<td>400</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Chairs</td>
<td>150</td>
<td>70</td>
<td>223</td>
</tr>
<tr>
<td></td>
<td>Tables</td>
<td>196</td>
<td>88</td>
<td>120</td>
</tr>
<tr>
<td>Classroom Equipment</td>
<td>White board</td>
<td>200</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Racks</td>
<td>144</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Chairs</td>
<td>186</td>
<td>186</td>
<td>165</td>
</tr>
<tr>
<td></td>
<td>Tables</td>
<td>218</td>
<td>327</td>
<td>272</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>Fridge</td>
<td>460</td>
<td>990</td>
<td>840</td>
</tr>
<tr>
<td></td>
<td>Stove top</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Kitchen utensils</td>
<td>677</td>
<td>550</td>
<td>470</td>
</tr>
<tr>
<td>Daycare Supplies</td>
<td>Toto mattresses</td>
<td>70</td>
<td>110</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>Pillows</td>
<td>150</td>
<td>170</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td>Stationaries</td>
<td>450</td>
<td>420</td>
<td>450</td>
</tr>
<tr>
<td>Cash</td>
<td>200</td>
<td>150</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Liabilities:</td>
<td>Loan 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loan 2 (at 31 Dec 2010)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monthly payment for loan 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loan balance at 31 Dec 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-current</td>
<td>10,000</td>
<td>500</td>
<td>4,000+9,800</td>
</tr>
<tr>
<td></td>
<td>Current</td>
<td>9,800</td>
<td>150</td>
<td>700</td>
</tr>
</tbody>
</table>

### Information on Partnership:

a) Capital balances for partners in each branch of Tadika Bonda as at 1 Jan 2010 are:

<table>
<thead>
<tr>
<th>Names of partners</th>
<th>Capital investment RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sakinah</td>
<td>2000</td>
</tr>
<tr>
<td>Rosmah</td>
<td>1000</td>
</tr>
<tr>
<td>Mazni</td>
<td>1000</td>
</tr>
<tr>
<td>Asma</td>
<td>1000</td>
</tr>
<tr>
<td>Suraya</td>
<td>1000</td>
</tr>
</tbody>
</table>

b) There are no interests charged or received for capital withdrawal and investment by partners.

c) The partnership agreed to provide annual zakat of 2.5 percent of net income before distribution to partners.
d) The board of managers decided to give bonus for all employees. The rate for year 2010 bonus is 1% of total net income (all branches combined) before distribution to partners. All bonuses are paid on 31 December 2010.

e) The partners also agreed to give charity of RM 25 per month/per branch to an NGO.

Other Information

a) Beginning January 2010, the managers agreed to buy a second-hand van worth RM20,000 with a personal loan of RM10,000 from a friend. The monthly installment is RM500. This cost is absorbed as a short term liability for Tanjung branch. This is an Islamic personal loan with no interest charges. Annual depreciation for the van is 30 percent of its cost.

b) Tanjung branch owes a non-interest bearing personal loan from a friend amounting to RM9,800 at December 2010.

c) Total amount due to a friend for Kenanga branch is RM700 to be paid in February 2011.

d) Assume beginning total assets for Tadika Bonda is RM24,500.

e) The cost of purchasing uniforms, sport’s T-shirt and dress, books and stationeries are as follows:

<table>
<thead>
<tr>
<th>Items</th>
<th>Cempaka Branch</th>
<th>Mawar Jaya Branch</th>
<th>Tanjung Branch</th>
<th>Kenanga Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of uniform and T-shirt</td>
<td>RM1,116</td>
<td>RM1,674</td>
<td>RM1,240</td>
<td>RM 434</td>
</tr>
<tr>
<td>Purchase of books and stationaries</td>
<td>RM4,248</td>
<td>RM6,372</td>
<td>RM 4,720</td>
<td>RM1,652</td>
</tr>
</tbody>
</table>

f) Miscellaneous expenses include the cost of conducting graduation ceremony (ihtifal) and sports activities.