Instructions: answer all questions. Assignments must be typed and printed.

Question 1

The following information is extracted from the books of Lenny's Manufacturers at December 31, 2014:

		$
Inventory at January 1, 2014:	Raw materials	80 000
	Work in progress	32 000
	Finished goods	64 000
Purchases:	Raw materials	220 000
	Finished goods	120 000
Wages of factory workers		170 000
Office wages and salaries		56 000
Factory power		40 000
Rent		80 000
Insurance		32 000
Depreciation charges for the year:	Office Equipment	30 000
Machinery		60 000
Salesmen's cars		30 000
Sales		300 000
Inventory at December 31, 2014:	Raw materials	110 000
	Work in progress	28 000
	Finished goods	60 000

Notes:
Rent and insurance are to be apportioned on the following basis: Factory 75%, office 25%.

Required:
Prepare a Manufacturing, Trading and Profit and Loss Account for Lenny's Manufacturer for the year to December 31, 2014.

(Total 20 marks)

Question 2

Portmore Manufacturing Company had the following cost and expenses data for the year ending December 31, 2012.

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Opening stock January 1, 2012	30,000
Opening stock December 31, 2012	20,000
Direct materials purchases	205,000
Indirect materials purchased	15,000
Work in progress January 1, 2012	80,000
Work in progress December 31, 2012	50,000
Finished goods January 1,2012	110,000
Finished goods December 31,2012	120,000
Direct labour	350,000
Factory manager's salary	35,000
Insurance factory	14,000
Property taxes factory building	6,000
Sales	1,500,000
Delivery expenses	100,000
Sales commissions	150,000
Indirect labour	90,000
Factory machine rent	40,000
Factory utilities	65,000
Depreciation, factory building	24,000
Administrative expenses	300,000

Required:

a. Prepare a manufacturing and Trading account for the period ending December2012. *(20 marks)*

Question 3

The following information is supplied by the bookkeeper of the TRUE PLUS Ltd. Manufacturing Company for the year ended 31 March 2001:

Stocks, 1 April 2000:	$
Raw materials	3,150,000
Finished goods	4,470,000
Work in progress	2,745,000
Sales	77,280,000
Sales commission	1,512,000
Wages and salaries:	
Direct labour	24,930,000
Indirect labour	4,890,000
Administrative staff	4,203,000

Purchases of raw materials	16,936,000
Carriage inwards	195,000
Carriage outwards	896,000
Electricity and water	1,035,000
Other production expenses	4,980,000
Other administration expenses	2,565,000
Factory Plant and machinery, at cost	6,000,000
Office equipment, at cost	3,800,000
Stocks, 31 March 2001	
Raw materials	2,370,000
Finished goods	2,625,000
Work in progress	2,820,000

Additional information:

(i) Depreciation was to be provided for:

Factory Plant and machinery 20% on cost

Office equipment 25% on cost

(ii) Electricity charges of $165,000 were in arrears at 31 March 2001.

(iii) Electricity and water was to be apportioned as follows:

Factory 80%

Administration 20%

(iv) Salaries of administrative staff included an amount of $80,000 payable to the factory manager as a bonus.

REQUIRED:

1. Prepare the manufacturing and trading accounts of Overseas Manufacturing Company for the year ended 31 March 2001, showing clearly:
   - i) The cost of raw materials consumed,
   - ii) The prime cost,
   - iii) The production cost of finished goods
   - iv) Gross profit and net profit *(25 marks)*