

**PENANG SANGAM HIGH SCHOOL**

**P. O BOX 44, RAKIRAKI**

**LESSON NOTES Week 20**

**SUBJECT: ACCOUNTING**

**YEAR/LEVEL: 13**

**Strand 6: COST ACCOUNTING**

**Sub-strand 6.1: Manufacturing Statements**

**Content Learning Outcome:** Explore the nature and purpose of manufacturing industries and prepare a fully classified manufacturing statement.

Greetings to all my students, this week (week 20) we will continue with strand 6: Cost Accounting (sub-strand Manufacturing Statements) by attempting more activities to understand the topic better. If there are any queries do contact me in our 13C Accounting Viber group.

**Homework Activity**

Show general journal entries to record the following:

<b>Date</b>	<b>Particulars</b>	<b>DR \$</b>	<b>CR\$</b>
	(To close/transfer opening inventories of finished goods)		
	(To transfer closing inventories of direct material)		
	(To close expenses recorded in manufacturing statement)		
	(To close sales return of finished goods)		
	(To close purchase return of direct materials)		

	(To transfer/close opening inventories of direct material)		

**Activity (Ref: MOE Text Year 13 Accounting Pg. 167 Act. 6.1.2)**

**Short Answers**

1. State one difference between the Statement of Financial Performance of a manufacturing firm and a merchandising firm.
  
2. What is the main aim of preparing manufacturing statements in a manufacturing firm?
  
3. Differentiate between following terms:
  - a) Manufacturers and merchandises
  
  - b) Direct material cost and indirect material cost

**(Solutions of these activities will be provided later for verification, Best wishes for week 20 studies, take care and Stay Safe)**