



Subject: Year 13 Accounting Worksheet 12

Name: _____

Strand 6	Explain and apply cost accounting process for various
Sub strand 6.1	Manufacturing statement
Content Learning Outcome	Examine the journal entries and prepare fully classified Manufacturing Statement.

Part A Manufacturing Statement (10 marks)

The following is an extract of balances from the trial balance of Desi Suppliers Ltd as at 31st March 2020.

Balances	\$
Accounts Receivable	128 000
Advertising	18 000
Direct Material Inventories as at 1 st April 2019	90 000
Direct Materials Purchased	78 200
Administrative Expenses	36 250
Direct wages	68 000
Indirect Materials	15 000
Cartage Inwards	6 600
Office Stationery	5 750
Lubricating Oil-Machinery	7 200
Factory Managers Salary	30 500
Sale of Finished goods	270 000

Additional Information

1.

	1 st April 2019 (\$)	31 st March 2020 (\$)
Work in progress inventories	40 500	50 000

2. Inventory of Direct Materials as at 31st March 2020 \$86 000.
3. Factory wages to be apportioned at 10% as indirect wages and 90% as direct wages.

Required:

Prepare a fully classified Manufacturing Statement of Designer Suppliers Ltd for the year ended 31st March 2020 (8 marks)

Part B Nature of Manufacturing Enterprise

1. Define the term Prime Cost. (1 mark)
2. Explain the term Cost of Production. (1 mark)

