

MARKING SCHEME - REVISION PAPER 22

PART II

Question No 01

1) Manufacturing Account

Opening R M	①	800		
(+) Purchases	①	8 000		
(-) R/O	①	(200)		
Carriage inwards	①	300		
(-) Closing RM	①	(6 00)		
RM Consumed			①	8 300
<u>Direct Labour</u>			①	1 200
Direct wages				
<u>Direct Other</u>				
<u>Prime Cost</u>			①	9 500
<u>POH</u>				
Indirect wages	①	200		
Electricity	①	250		
Rent	①	400		
Material	①	700		
Machine Dept	①	350		1 900
				11 400
Opening WIP	①	400		
(-) Closing WIP	①	(800)		(400)
Total manufacturing cost			①	11 000

2)

$\frac{15\ 000}{150} \rightarrow 100 \rightarrow \text{Machines Sold}$

$\frac{10}{90} \rightarrow \text{Last year}$

$\frac{20}{110} \rightarrow \text{closing Figure}$

$\frac{11\ 000\ 000}{110} = \text{Rs. } 100,000 \text{ per machine } \textcircled{2}$

3) Value of finished Stock = 20 x 100 000

= 2 000,000 $\textcircled{2}$

4) Income Statement (Rs. '000)

Sales		①15 000
<u>(-) Cost of Sales</u>		
Opening Stock	700	
(+) Manufacturing cost	①11 000	
	11 700	
(-) Closing Stock	①(2 000)	(9 700)
Gross profit		①5 300
<u>(-) Expenses</u>		
Admin. Salaries	① (600)	
Electricity	① (250)	
Rent	① (400)	
Furnished Dep.	① (260)	
Carriage outwards	① (150)	(1 660)
Net Profit		①3 640

(30 Marks)

Question No 02

A)

Manufacturing Accounts

Opening Raw Material	-	
(+) Purchases	₹57 000	
(-) Closing Raw Material	₹ (9 000)	
Cost of Raw Material consumed		48 000
<u>Direct labour</u>		
Direct Wages	₹48 000	48 000
<u>Direct Other</u>		
Direct Other	₹24 000	24 000
Prime cost		120 000
<u>Production Overheads</u>		
Production overheads	₹ 50 000	
Depreciation	22 000	72 000
Total Manufacturing Cost Transferred to Income Statement		₹192 000

Income Statement

Sales (4 200 x 60)		₹252 000
<u>(-) Cost of Sales</u>		
Opening finished goods	-	
(+) Manufacturing cost	192 000	
(-) Closing finished goods	₹ (24 000)	(168 000)
Gross Profit		₹84 000
<u>(-) Expenses</u>		
Administrative Expenses		(45 000)
Net Profit		₹39 000

$$\begin{aligned} \text{Production Cost per unit} &= \frac{192\,000}{4\,800} \\ &= \mathbf{40 \text{ per Unit}} \end{aligned}$$

(Marks 20)

Question No: 03

Manufacturing Account

(Rs,000)

Opening RM	10	
(+) Purchases	66	
	76	
(-) Closing RM	(8.8)	
Cost of RM Consumed		₹67.2
<u>DL</u>		
Direct Labour	62	₹62
<u>DO</u>		
Prime Cost		₹129.2
<u>Production Overheads</u>		
Production overhead	₹15.8	
Machine Dep.	₹10	
		25.8
Total Manufacturing Cost Transferred to Income Statement		₹155

Workings

Material Consumed

Opening Stock	50 Sq
(+) Purchases	300 Sq
(-) Closing RM	(40 Sq)
	<u>310 Sq</u>

Finished Goods Produced = 310 x 5

During the year = 1 550

Production Cost = 155 000

Per Unit = 1 550

= Rs. 100 per unit ②

Value of Closing = 1 00 x 100

Finished Goods = Rs. 10 000 ②

Sales (Q) = 200 + 1 550 - 100

= 1 650

Sales Revenue = (1 650 x 150)

= Rs.247 500 ②

(Marks 15)