PRINCIPLES OF ACCOUNTING ASSIGNMENT 15

1. Explain how to calculate the cost of raw materials consumed.

2. From the following information prepare the prime cost calculation for the manufacturing account for the year ended 31 may 2018

Rs

Inventory of raw materials as at 1 June 2017 8070

Inventory of raw materials as at 31 May 2018 7986

Purchases of raw materials 99405

Direct wages 87560

Royalties 2311

3. Calculate the cost of raw materials consumed from the following information.

|  | **Rs** |
| --- | --- |
| Inventory of raw materials as at 1 April 2017 | 5670 |
| Inventory of raw materials as at 31 March 2018 | 6910 |
| Purchases of raw materials | 45655 |
| Carriage inwards on raw materials | 290 |
| Purchases returns | 1125 |