

1 The following balances were extracted from Aurora's accounts at 31 March 2007.

	\$000
Sales	3 200
Purchases of raw materials	450
Purchases returns	18
Carriage inwards	10
Direct labour	400
Direct overheads	60
Rent	40
Electricity	30
Insurance	55
Factory supervision salaries	65
Office salaries	70
Indirect factory wages	13
Factory cleaning	50
Office cleaning	50
Stocks at 1 April 2006:	
Raw materials	110
Work in progress	55
Finished goods	80
Factory machinery at cost	640
Provision for depreciation on factory machinery	280

Additional information at 31 March 2007:

	\$000
Rent prepaid	5
Electricity accrued	15
Insurance prepaid	10
Stocks – Raw materials	140
Work in progress	75
Finished goods	170

Depreciation on factory machinery is to be provided at 25 % per annum reducing balance.

Rent, electricity and insurance are apportioned on the basis of 80 % to factory and 20 % to office.

Finished goods are transferred to the trading account at total factory cost plus one third.

REQUIRED

(a) Prepare Aurora's manufacturing account for the year ended 31 March 2007.

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(b) Prepare Aurora's trading account for the year ended 31 March 2007.

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