

**12** A manufacturer has stocks of:

- 1 finished goods
- 2 work-in-progress
- 3 raw materials

Which stocks will appear in the Manufacturing account?

- A** 1 and 2 only
- B** 1 and 3 only
- C** 1, 2 and 3
- D** 2 and 3 only

**13** What is a factory overhead expense in a Manufacturing account?

- A** cost of raw materials used
- B** depreciation of factory machinery
- C** royalties paid per item produced
- D** wages of production machine operators

**14** The wages of staff employed in getting goods into a saleable condition have been debited in the Profit and Loss Account.

What is the effect of this error?

	Gross profit	Net profit
<b>A</b>	overstated	no effect
<b>B</b>	overstated	overstated
<b>C</b>	understated	no effect
<b>D</b>	understated	understated

**15** A company has two items in stock which require to be repaired before sale.

	cost \$	selling price \$	repair costs \$
item 1	5 260	7 600	880
item 2	2 360	2 450	190

What is the total stock value of these items?

- A** \$6550
- B** \$7520
- C** \$7620
- D** \$8980