

- 11 When valuing stocks of finished goods on an absorption cost basis, which costs should be included?
- A production
 - B production and administration
 - C production, marketing and distribution
 - D production, marketing, administration and distribution

- 12 The information relates to the subscriptions of a club.

	in advance \$	in arrears \$
at the start of the year	50	75
at the end of the year	150	120

Cash received during the year was \$3750.

What was the subscription income for the year?

- A \$3695 B \$3750 C \$3755 D \$3805
- 13 A manufacturing company has the following information for the year ended 31 December.

	\$
purchase of raw materials	58 000
wages of machine operators	97 000
depreciation on factory plant	15 000
opening stock raw materials	10 000
closing stock raw materials	8 000
wages of factory supervisor	18 000
factory light and heating costs	22 000

What is the prime cost for the year?

- A \$153 000 B \$157 000 C \$175 000 D \$212 000
- 14 How should stocks be valued in published accounts?
- A cost
 - B net realisable value
 - C replacement cost
 - D the lower of cost and net realisable value