1 Bart, a sole trader, provided the following trial balance for the year ended 30 April 2012.

	$	$
Sales Revenue		799 000
Inventory at 1 May 2011 (at cost)		
Raw materials	20 000	
Work-in-progress	52 000	
Finished goods	78 000	
Purchase of raw materials	238 000	
Purchase returns		10 000
Manufacturing wages	265 000	
Indirect factory wages	46 000	
Factory buildings at cost	600 000	
Factory machinery at cost	260 000	
Office equipment at cost	148 000	
Provision for depreciation:		
Factory machinery		60 000
Office equipment		44 000
Insurance	14 000	
General factory expenses	6 000	
Factory supervision salaries	15 000	
Heat and light	6 000	
Administrative expenses	33 000	
Office salaries	55 000	
Trade receivables	40 000	
Provision for doubtful debts		2 000
Trade payables		32 000
Bank	3 000	
Capital		932 000
	1 879 000	1 879 000

Additional Information:

1 Inventory at 30 April 2012 (at cost):

	$
Raw materials	56 000
Work-in-progress	58 000
Finished goods	72 000

2 Depreciation is provided on non-current assets at a rate of 20% per year using the reducing balance method.

3 The following expenses should be apportioned as follows:

	Factory	Office
Insurance	70%	30%
Heat and light	80%	20%

4 On 30 April 2012 indirect factory wages of $5000 were unpaid and insurance of $7000 had been paid in advance.

5 Provision for doubtful debts is to be maintained at 3% of trade receivables.

REQUIRED

(a) Prepare Bart's manufacturing account for the year ended 30 April 2012.

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(b) Prepare Bart's income statement for the year ended 30 April 2012.

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(c) State **three** examples of how the prudence concept has been applied in the preparation of Bart's manufacturing account and income statement.

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