

**11** A manufacturing company has the following balances at its year end.

	\$
closing inventory of raw materials	24 500
direct manufacturing wages	162 800
purchases of raw materials	85 200
supervisors' wages	44 000
opening inventory of raw materials	27 800

What is the prime cost for the year?

- A** \$244 700      **B** \$248 000      **C** \$251 300      **D** \$295 300

**12** A partnership provides the following financial information for the year ended 30 June 2011.

	\$000
profit from operations	240
bank interest payable	21
interest credited to current accounts	15
drawings	100
partnership salaries	95

What is the residual balance of profits to be appropriated between the partners?

- A** \$9000      **B** \$104 000      **C** \$109 000      **D** \$204 000

**13** A new business was established with opening capital of \$20 000.

At the end of the first year, assets less liabilities were \$26 000. The owner withdrew \$7000 as drawings during the year and this resulted in a bank overdraft of \$5000 at the end of the year.

What was the profit during the first year?

- A** \$8000      **B** \$12 000      **C** \$13 000      **D** \$18 000

**14** At the year end a company discovers that some inventory is damaged.

This inventory originally cost \$2000 and to replace it would now cost \$1900.

It would normally sell for \$2400 but can now only be sold for \$2200 if repairs costing \$400 are undertaken.

At what value should the damaged inventory be shown in the financial statements?

- A** \$1800      **B** \$1900      **C** \$2000      **D** \$2200