**2021 Chong Hwa Klang Paper 2 Question 4**

John started in business on 1 May 2019 as a manufacturer of gaming machines. The following figures were extracted from his books on 30 April 2020:

|  |  |
| --- | --- |
|  | **RM** |
| Sales (30,000 units machines at RM 30 each) | ? |
| Sales of scrap Raw Materials | 500 |
| Plant and Machinery (bought on 31 July 2019) | 80,000 |
| Motor Vehicles (bought on 1 July 2019) | 10,000 |
| Administrative Wages | 18,000 |
| Factory Loose Tools bought | 6,400 |
| Rental | 40,000 |
| Factory Building repairs | 20,000 |
| Raw Materials bought | 273,400 |
| Finished Goods bought | 10,700 |
| Purchase Returns - Raw Materials | 360 |
| - Finished Goods | 680 |
| Carriage Inwards - Raw Materials | 200 |
| - Finished Goods | 100 |
| Salesmen’s Salaries | 29,000 |
| Productive Wages | 98,600 |
| Driver Wages | 24,000 |
| Factory Supervision Wages | 10,000 |
| Motor Van expenses | 5,000 |
| General Administration expenses | 6,000 |
| Hire of Production Machine | 54,000 |
| Rates and Insurance | 10,000 |
| Royalties | 2,500 |

**Notes:**

1. Inventory valued at 30 April 2020 were: Raw Materials 12,000

Finished Goods 9,000

Factory Loose Tools 1,100

Work in progress 21,600

1. Depreciation for machinery and motor vehicles should be allowed on 10% per annum and 15% per annum respectively.
2. RM 2,000 for driver wages still outstanding; out of RM 4,000 for insurance, one -quarter was paid for month of May 2020.
3. Depreciation for motor vehicle, motor van expenses and driver wages should divided equally between office and factory.
4. Two-fifth of rental as well as rates and insurance should apportioned to office, the rest is for factory.

**Required:** (a) Prepare the Manufacturing Account for the year ended 30 April 2020.

(b) Prepare the Income Statement (Trading account section) for the year ended 30

April 2020.