**2022 Kuen Cheng High School Paper 2 Question 4**

Super Power Bhd extracted the following balances from the books of account at the end of

their financial year 31 December 2016:

|  |  |
| --- | --- |
|  | **RM** |
| Inventory at 1 January 2016 | 80,000 |
| - Raw Materials | 23,000 |
| - Work in progress (at Prime Cost) | 25,600 |
| - Finished Goods | 200,000 |
| Plant and Machinery at cost | 60,000 |
| Accumulated Depreciation – Plant and Machinery | 5,000 |
| Indirect Factory Expenses | 60,000 |
| Salaries and Wages | 510,000 |
| Purchase of Raw Material | 1,400 |
| Returns Inwards | 16,500 |
| Purchase of Finished Goods | 9,600 |
| Allowance for Doubtful Debts | 4,100 |
| Carriage Inwards on Raw Materials | 350,000 |
| Manufacturing Wages | 4,100 |
| Direct Factory Expenses | 16,000 |
| Light and Heat | 6,800 |
| Insurance | 3,000 |
| Carriage Outwards | 52,000 |
| Rent and Rates | 18,000 |
| Power (Factory) | 2,800 |
| Bad Debts | 1,420,800 |
| Sales | 800,000 |
| Accounts Receivable | 80,000 |

The following additional information at 31 December 2016 are provided as follows:

1. Value of inventory at 31 December 2016

- Raw Materials RM 68,000

- Work in Progress (at Prime Cost) RM 25,000

- Finished Goods RM 30,800

1. Super Power Bhd transfer goods to warehouse at cost plus 15%.
2. Rent and Rates, Light and Heat and Insurance are to be apportioned between factory and office as 3⁄4 and 1⁄4 respectively.
3. Salaries and Wages are to be split factory 1/3 and office 2/3.
4. Manufacturing wages due and not yet pay RM 8,000.
5. Prepayment of rates RM 2,000.
6. Depreciation Plant and Machinery at the rate of 20% per annum on cost.
7. The allowance for doubtful debts is to be maintained at 2% of accounts receivable.

**You are required to prepare:**

1. Manufacturing Account for the year ended 31 December 2016.
2. Income Statement for the year ended 31 December 2016.