**2022 Pay Fong Middle School Paper 2 Question 4**

Seng Song Bhd is an electronics manufacturer. The following balances were extracted from the company's books as at 31 December 2021:

|  |  |
| --- | --- |
|  | **RM** |
| Inventory as at 1 January 2021: - Raw Materials | 55,000 |
| - Work-In-Progress (at prime cost) | 62,500 |
| - Finished Goods | 32,000 |
| - Factory Loose Tools | 22,400 |
| Finished Goods - Sales | 2,800,000 |
| - Return Inwards | 20,500 |
| - Purchases | 50,000 |
| Raw Materials - Purchases | 1,420,000 |
| - Returns Outwards | 20,000 |
| - Carriage Inwards | 14,800 |
| Manufacturing Wages | 138,000 |
| Royalties Received | 24,200 |
| Purchase of Factory Loose Tools | 19,600 |
| Repair and Maintenance Expenses | 19,500 |
| Water and Electricity | 50,400 |
| Insurance Expenses | 24,000 |
| Factory Supervisor Salaries | 33,200 |
| Sub-contractor Fees | 10,000 |
| 8% Loan Notes | 80,000 |
| Carriage on Sales | 13,000 |
| Office Salaries | 23,000 |
| Factory Machinery (at cost RM132,000) | 100,000 |
| Office Equipment (at cost RM55,000) | 45,400 |

**Additional information:**

1. Water and Electricity accrued as at 31 December 2021 were RM 17,600.
2. Unexpired insurance premium were RM8,000.
3. Non-current assets are to be depreciated using methods as below:

Factory Machinery - 10% per annum on cost

Office Equipment - 20% per annum on reducing balance method.

1. Repair and Maintenance Expenses, Water and Electricity, Insurance were to be apportioned in the ratio of : Factory 60%; Office 40%
2. Finished goods were transferred to the Trading account at cost plus 10%.
3. Inventory as at 31 December 2021:

**RM**

Raw Materials 58,000

Work-In-Progress (at prime cost) 47,300

Finished Goods 21,000

Factory Loose Tools 13,200

**You are required to prepare:**

1. Manufacturing Account for the year ended 31 December 2021.
2. Income Statement (Section Trading Account) for the year ended 31 December 2021.

(Show clearly: Gross profit / (Loss) on trading and manufacturing profit).