**Question 5**

Emily started business on 1 January 2022 as a Furniture manufacturer. The following figures are extracted from her records on 31 December 2022.

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Purchases - Raw materials | 305,000 |  |
| - Factory Loose Tools | 3,000 |  |
| Fuel and light | 29,000 |  |
| Salespersons salaries | 17,000 |  |
| Factory wages | 59,000 |  |
| Carriage outwards | 4,000 |  |
| Rent and rates | 21,000 |  |
| Sales |  | 480,000 |
| Royalty |  | 2,000 |
| Returns | 7,000 |  |
| General office expenses | 9,000 |  |
| Sub Contract Cost | 1,500 |  |
| Repairs to plant and machinery | 7,500 |  |
| Trade Payables |  | 37,000 |
| Capital account |  | 457,000 |
| Freehold premises | 410,000 |  |
| Plant and machinery | 80,000 |  |
| Trade Receivables | 20,000 |  |
| Accumulated depreciation on plant and machinery |  | 8,000 |
| Cash in hand | 11,000 |  |
|  | 984,000 | 984,000 |

1. Inventory in hand at 31 December 2022:

* Raw materials: RM 25,000
* Work in progress: RM 11,000 (at prime cost)
* Finished goods: RM 26,000

1. Depreciation of 10% on plant and machinery using the straight-line method
2. Fuel and Light was outstanding for RM 4,000, while rent and rates were paid in advance by RM 5,000.
3. 80% of fuel and light and 75% of rent and rates to be charged to Factory.
4. Allowance for Doubtful debts was 5% on Trade Receivables.
5. Finished goods would be transferred to the retail shop at a price of RM 400,000.

**You are required to prepare:**

1. Manufacturing Account for the year ended 31 December 2022.
2. Income Statement for the year ended 31 December 2022 (Show Trading Account section only).