**Question 6**

The following information was extracted from the books of Top Choice Company, a company that produce furniture. The following balances are extracted from the books of the company as at 31 December 2022.

|  |  |
| --- | --- |
|  | **RM** |
| Sales of Finished Goods | 504,000 |
| Inventory as at January |  |
| Raw Materials | 36,000 |
| Factory Loose Tools | 2,100 |
| Work-in-progress, at prime cost | 9,600 |
| Finished Goods | 20,700 |
| Purchases: Raw Materials | 210,900 |
| Factory Loose Tools | 4,740 |
| Carriage on Raw Materials | 5,310 |
| Raw Materials Returned | 4,500 |
| Royalties | 1,500 |
| Manufacturing Wages | 16,800 |
| Indirect Wages | 6,900 |
| Plant and Machinery, at cost | 225,000 |
| Motor Vehicles, at cost | 21,500 |
| Accumulated Depreciation of Motor Vehicles | 18,600 |
| Repairs Expenses | 106,200 |
| Salaries And Wages |  |
| Factory Storekeeper | 24,000 |
| Office Executive | 30,000 |
| Water And Electricity | 3,600 |
| Rental | 90,000 |
| Insurance | 20,100 |
| General Factory Expenses | 4,740 |

**Additional information:**

1. Inventory on 31 December 2022:

Raw Materials RM 37,710

Factory Loose Tools RM 450

Work-in-progress, at prime cost RM 14,670

Finished Goods RM 23,100

1. Water And Electricity and insurance are to be apportioned: Factory 1/5 and Office 4/5
2. Out of repairs expenses, RM 96,000 was for the extension of building, and the balance was for the repairing of factory machinery.
3. 25% of the rental should be attributed to the factory.
4. Machinery was depreciated by using straight line method of 15% per annum, and motor vehicles were 10% per annum on carrying amount.
5. The market value of the goods manufactured was RM 360,000.

You are required to prepare the following financial reports for the year ended 31 December 2022:

1. Manufacturing Account;
2. Income Statement (Trading account section only).

[Show clearly:

(i) Cost of Materials Consumed;

(ii) Prime Cost;

(iii) Factory Overheads;

(iv) Manufacturing Profit;

(v) Gross Profit on Trading.]