**Question 5**

David Yap owns a furniture manufacturing business. The balances as at 31 December Year 4 were extracted as follows:

|  |  |
| --- | --- |
| Raw Material | RM |
| Purchases | 200,000 |
| Returns Outwards | 6,000 |
| Carriage Inwards | 5,000 |
| Direct Wages | 180,000 |
| Direct Overheads | 40,000 |
| Insurance | 60,000 |
| Office Rent | 5,000 |
| Factory Rent | 16,000 |
| Water And Electricity | 28,000 |
| Rental Of Office Equipment | 18,000 |
| Salaries Factory Supervisor | 21,000 |
| Office Staff | 80,000 |
| Manager`s Salary | 100,000 |
| Office General Expenses | 62,000 |
| Repairs And Maintenance | 50,000 |
| Cleaning Expenses |  |
| Factory | 20,000 |
| Office | 5,000 |
| Factory Machinery, at cost |  |
| Accumulated Depreciation | 300,000 |
| Sales | 1,805,000 |
| Inventory, 1 January Year 4: |  |
| Raw Materials | 41,000 |
| Work-in-progress, at prime cost | 25,000 |
| Finished Goods | 60,000 |
|  |  |

The following information was available:

1. Prepayments at 31 December Year 4:

|  |  |
| --- | --- |
|  | RM |
| Insurance | 4,000 |
| Factory rent | 2,000 |

1. Accrued electricity at 31 December Year 4: RM 12, 000
2. Inventory at 31 December Year 4:

|  |  |
| --- | --- |
|  | RM |
| Raw materials | 50,000 |
| Work-in-progress, at prime cost | 35,000 |
| Finished goods | 48,000 |

1. Depreciation of factory machinery : p.a. on carrying amount
2. Insurance, water and electricity as well as repairs and maintenance were allocated as: .
3. Finished goods were transferred to Trading account at factory cost plus .

**You are required to prepare:**

1. Manufacturing Account for the year ended 31 December Year 4;
2. Income Statement for the year ended 31 December Year 4;
3. Statement Of Financial Position as at that date, showing only the inventory portion under current assets section.