



Subject-Accounting

Grade-12

Prepared by -
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Competency 7.0 – Prepares financial statements of a manufacturing business.

Competency Level 7.1 – Calculates cost of production of a manufacturing business.

Furniture manufacturing business		
Manufacturing account and Income statement for the year ended 2017.03.31		
	(Rs.)	(Rs.)
Opening stock of timber		20,000
- Timber purchases	250,000	
+ Returns of timber	(10,000)	
	240,000	
- Carriage inwards of timber	10,000	250,000
		270,000
Closing stock of timber		(15,000)
Cost of materials consumed		255,000
Machine operators' wages	70,000	
Carpenters' wages	80,000	
Costs of designing	14,000	164,000
PRIME COST		419,000
<u>Production overhead cost:</u>		
Factory insurance	8,000	
Factory maintenance cost	4,000	
Factory electricity	4,000	
Machine depreciation	5,000	
Factory wages	15,000	
Cost of painting	5,000	41,000
		460,000
Opening work-in-progress	20,000	
Closing work-in-progress	(18,000)	2,000
Total cost of production taken to Trading account		462,000
Sales income		600,000
Opening finished goods	25,000	

Production costs	462,000	
	487,000	
Closing finished goods	(10,000)	477,000
Gross profit		123,000

Prepare the manufacturing account and Income Statement for the garment manufacturing business.