1. In a factory, raw materials used amounted to $4 000, manufacturing wages $1 200 and other direct expenses $400. What was the prime cost of articles produced?

(A) $4 400 (B) $4 800 (C) $5 200 (D) $5 600

2. Which of the following would NOT be considered part of the prime cost of manufactured goods?

(A) Office Manager's wages
(B) Machine operator's wages
(C) Raw material used
(D) Freight on raw material

Item 3 refers to the following information.

| | | | |
|---|---|---|---|
| Opening stock of raw materials | 500 | Purchases | 2 000 |
| Closing stock of raw materials | 1 000 | Direct labour | 3 000 |
| Factory overheads | 4 500 | Opening stock of work in progress | 2 000 |
| Closing stock of work in progress | 3 000 | | |

3. What is the cost of goods manufactured?

(A) $7 000 (B) $8 000 (C) $9 000 (D) $11 000

4. P Hawk has a manufacturing business, his raw materials cost $1 900; rates and rent total $2 000 and factory wages amounted to $2 500.

The number of units produced is 640. What is the cost of one unit?

(A) $4 (B) $6 (C) $10 (D) $13

Item 5 refers to the following information

| | | | |
|---|---|---|---|
| Prime Cost | 10 000 | Overheads | 16 000 |
| Work in progress January 1 | 3 000 | Work in progress December 31 | 5 000 |

5. What is the year's cost of production of finished goods?

(A) $14 000 (B) $18 000 (C) $21 000 (D) $24 000

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Item 6 refers to the following figures taken from a manufacturing account

| | |
|---|---|
| Prime costs | 29 950 |
| Factory overheads | 11 250 |
| Direct manufacturing wages | 22 000 |

6. What is the cost of raw materials consumed?

(A) $7 950 (B) $8 700 (C) $11 750 (D) $33 000

7. Which of the following is NOT classified as direct material?
(A) Lumber in a furniture shop
(B) Fuel oil for furniture workshop engine
(C) Carriage inwards on limestone in a cement factory
(D) Transistors purchases for radio assembly plant

Items 8-10 refers to the following information

| J. Baynes Manufacturing A/c for the period ending Dec. 31, 2017 | | | |
|---|---|---|---|
| Stock of Raw materials 1.1.17 | 800 | Balance c/d | 6800 |
| Purchases of raw material during the year | 4500 | | |
| | 5300 | | |
| Less closing stock of raw materials 31.12.17 | 1200 | | |
| | 3900 | | |
| Production wages | 1300 | | |
| Fuel and power | 900 | | |
| Lubricants | 100 | | |
| Rent and rates | 400 | | |
| Insurance | 200 | | 6800 |
| | 6800 | | |

8. What is the cost of raw materials available for production?

(A) $800 (B) $3 900 (C) $4 500 (D) $5 300

9. What is the cost of raw materials consumed?

(A) $800 (B) $1 200 (C) $3 900 (D) $4 500

10. What is the prime cost?

(A) $3 900 (B) $5 200 (C) $5 300 (D) $6 800

LIVEWORKSHEETS

LIVEWORKSHEETS