

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

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	<u>4500</u>		
	5300		
Less closing stock of raw materials 31.12.17	<u>1200</u>		
	3900		
Production wages	1300		
Fuel and power	900		
Lubricants	100		
Rent and rates	400		
Insurance	<u>200</u>		
	<u>6800</u>		<u>6800</u>

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

