

- 5 GH Company manufactures car parts and has provided the following information relating to the year ended 31 March 2025.

	\$
Revenue	1 107 272
Raw materials	
Inventory at 1 April 2024	21 700
Inventory at 31 March 2025	16 400
Finished goods	
Inventory at 1 April 2024	76 370
Inventory at 31 March 2025	49 660
Salaries and wages	
Operatives' wages	241 200
Factory supervisors' salaries	48 240
Office staff salaries	64 350
Purchases of raw materials	280 050
Purchases of finished goods	122 430
Carriage in on finished goods	2 242
Factory machinery at cost	427 000
Accumulated depreciation of factory machinery	187 000
Rent and rates	10 060
Electricity charges	9 344
Insurance	18 400
Factory general expenses	27 640
Work in progress at 1 April 2024	83 440
Work in progress at 31 March 2025	92 510

Additional information

- 1 Depreciation on factory machinery is to be provided at 15%, using the reducing balance method.
- 2 Rent and rates – 60% relate to the factory, with the remainder being for the office.
- 3 Electricity charges are to be split in the ratio 5 : 3 between factory and office.
- 4 Insurance is split equally between factory and office.





REQUIRED

(a) Prepare the manufacturing account for GH Company for the year ended 31 March 2025.

GH Company
Manufacturing Account for the year ended 31 March 2025

[illegible]



REQUIRED

- (b)** Prepare the trading section of the income statement for GH Company for the year ended 31 March 2025.

GH Company
Income Statement (Trading section) for the year ended 31 March 2025

[illegible]

[7]

[Total: 20]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.



Question	Answer				Marks
5(a)	GH Company Manufacturing Account for the year ended 31 March 2025				13
	Cost of materials consumed	\$	\$		
	Opening inventory		21 700	*	
	Purchases		280 050		
			301 750		
	Less closing Inventory		16 400	(1)* both	
			285 350	(1)	
	Operatives wages		241 200	(1)	
	Prime cost		526 550	(1)OF	
	Factory Overheads				
	Factory Supervisors salaries	48 240	(1)		
	Rent and rates (10 060 × 60%)	6 036	(1)		
	Electricity charges (9 344 / 8 * 5)	5 840	(1)		
	Insurance (18 400 × 50%)	9 200	(1)		
	Factory General expenses	27 640	(1)		
	Depreciation of machinery (427 000 – 187 000) × 15%	36 000	(1)		
			132 956		
			659 506	(1) OF	
	Work in Progress				
	Opening Work in Progress		83 440	**	
			742 946		
	Closing Work in Progress		92 510	(1)** both	
	Cost of Production		650 436	(1) OF	

Question	Answer					Marks
5(b)	GH Company Trading section of the Income Statement for the year ended 31 March 2025					7
		\$		\$		
	Revenue			1 107 272	(1)	
	Cost of sales					
	Opening inventory finished goods	76 370	*			
	Cost of production	650 436	(1)OF			
	Purchases of finished goods	122 430	(1)			
	Carriage in	<u>2 242</u>	(1)			
		851 478				
	Less closing inventory of finished goods	<u>49 660</u>	(1)* both	<u>(801 818)</u>	(1)OF	
	Gross profit			<u>305 454</u>	(1)OF	