

General Ledger of BB Manufacturers Balance Sheet accounts

Dr				Raw Material Stock				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017						2017					
Jan	01	Balance	b/d	30 000	00	Jan	31	Raw materials issued *		47 300	00
	31	Bank (25%)		10 000	00			Balance	c/d	22 700	00
		Creditors control (75%)		30 000	00						
				70 000	00					70 000	00
2017											
Feb	01	Balance	b/d	22 700	00						

* Raw materials issued – balancing figure

Dr				Work-in-progress				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017						2017					
Jan	01	Balance	b/d	55 000	00	Jan	31	Finished goods *		118 125	00
	31	Direct material cost		47 300	00			Balance	c/d	39 375	00
		Direct labour cost		17 000	00						
		Factory overheads		38 200	00						
				157 500	00					157 500	00
2017											
Feb	01	Balance	b/d	39 375	00						

* Finished goods = R157 500 × 75% = R118 125

Dr				Finished Goods				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017						2017					
Jan	01	Balance	b/d	22 000	00	Jan	31	Balance	c/d	140 125	00
	31	Work-in-progress		118 125	00						
				140 125	00					140 125	00
2017											
Feb	01	Balance	b/d	140 125	00						

Cost account

Dr		Factory Overheads						Cr	
Date	Fol.	Details	Fol.	Amount	Date	Fol.	Details	Fol.	Amount
2017 Jan	31	Indirect materials		6 700 00	2017 Jan	31	Work-in-progress		38 200 00
		Wages		3 000 00					
		Water and electricity		8 600 00					
		Rent expense		13 800 00					
		Insurance		3 800 00					
		Repairs		2 300 00					
				<u>38 200 00</u>					<u>38 200 00</u>

$$\text{Wages} = (\text{R}17\,000 \div 85) \times 15 = \text{R}3\,000$$

$$\text{Rent expense} = (\text{R}144\,000 \div 12) \times 115\% = \text{R}13\,800$$