

**Sample Manufacturing Company
Statement of Cost of Goods Manufactured
For the Month Ended October 31, 2012**

Work in Process Inventory, 10/1		\$ 4,000
Add: Manufacturing Costs:		
Direct Materials Used:		
Raw Materials Inventory, 10/1	\$ 8,000	
Add: Purchases	<u>58,000</u>	
Raw Materials Available for Use	\$ 66,000	
Less: Raw Materials Inventory, 10/31	<u>19,500</u>	
Cost of Materials Used	\$ 56,500	
Less: Indirect Materials Used	<u>5,500</u>	
Total Direct Materials Used in Production		\$ 41,000
Direct Labor Cost		31,500
Factory Overhead:		
Indirect Materials	\$ 5,500	
Indirect Labor	2,500	
Depreciation	2,320	
Others	<u>3,900</u>	
Total Factory Overhead		<u>14,220</u>
Total Manufacturing Costs		<u>86,720</u>
Total Costs Placed in Process		\$ 90,720
Less: Work in Process, 10/31		<u>11,720</u>
Cost of Goods Manufactured		<u>\$ 79,000</u>

See
NOTE

Work in Process Inventory

9/30	4,000		(g) 79,000
(b)	41,000		
(c)	31,500		
(f)	14,220		
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10/31	11,720		

NOTE: Deduct cost of indirect materials used from total cost of all materials used only if the Raw Material Inventory account contains both direct and indirect material items.

Sample Manufacturing Company
Income Statement
For the Month Ended October 31, 2012

Sales			\$ 128,000
Less: Cost of Goods Sold:			
Finished Goods Inventory, 10/1	\$ 25,000		
Add: Cost of Goods Manufactured	<u>79,000</u>		
Goods Available for Sale	\$ 104,000		
Less: Finished Goods Inventory, 10/31	<u>17,000</u>		
Cost of Goods Sold		<u>87,000</u>	
Gross Profit			\$ 41,000
Less: Operating Expenses:			
Salaries Expense	\$ 5,000		
Depreciation Expense – Building	130		
Depreciation Expense – Office Equipment	200		
Various Other Expenses	<u>1,300</u>		
Total Operating Expenses		<u>\$ 6,630</u>	
Net Income			<u>\$ 34,370</u>

Sample Manufacturing Company
Balance Sheet
October 31, 2012

Assets			
Current Assets:			
Cash	\$ 26,000		
Accounts Receivable		41,000	
Inventories:			
Finished Goods	\$ 17,000		
Work in Process	11,720		
Raw Materials	<u>19,500</u>	<u>48,220</u>	
Total Current Assets			\$ 115,220
Plant and Equipment:			
Building	\$ 156,000		
Less: Accumulated Depreciation	<u>24,050</u>	\$ 131,950	
Factory Equipment	\$ 108,000		
Less: Accumulated Depreciation	<u>55,800</u>	52,200	
Office Equipment	\$ 12,000		
Less: Accumulated Depreciation	<u>2,200</u>	<u>9,800</u>	
Total Plant and Equipment			<u>193,950</u>
Total Assets			<u>\$ 309,170</u>
Liabilities and Stockholders' Equity			
Current Liabilities:			
Accounts Payable			\$ 38,200
Stockholders' Equity:			
Capital Stock		\$ 175,000	
Retained Earnings		<u>95,970</u>	
Total Stockholders' Equity			<u>270,970</u>
Total Liabilities and Stockholders' Equity			<u>\$ 309,170</u>