

**Aufgabe QR-9.7: Manufacturing Account**

(Herstellungskonto)

You got following information about balances of accounts for production firm BUNTERMAYER Ltd. that produces lacquer. Company mixes 1 part of component A with 3 parts of component B. BUNTERMAYER sells lacquer for 6,00 EUR/kg - gross amount - to their customers. Fiscal year starts on 1.01.20X7 and ends 31.12.20X7. For stock valuation follow weighted average model. (Do not consider Buntermayer to be a one-product-company.)

**Required: (1) Manufacturing Account, (2) Trading Account, (3) Profit and Loss Account. Income tax does not matter, only EBT is required.**

<b>Account</b>		DR(CR)	
		<b>Money [EUR]</b>	<b>Amount [kg]</b>
Inventory Lacquer	1.01.20X7	20.325,00	10.000
Inventory Lacquer	31.12.20X7	?	20.000
Inventory A	1.01.20X7	750,00	7.500
Inventory A	31.12.20X7	?	1.500
Inventory B	1.01.20X7	5.250,00	7.500
Inventory B	31.12.20X7	?	5.000
WIP component A	1.01.20X7	250,00	2.500
WIP component A	31.12.20X7	?	6.000
WIP component B	1.01.20X7	7.000,00	10.000
WIP component B	31.12.20X7	?	5.000
Purchases A (1)	1.01.20X7	900,00	10.000
Purchases A (2)	1.01.20X7	1.100,00	10.000
Purchases A (3)	1.01.20X7	1.000,00	10.000
Purchases A (4)	1.01.20X7	1.200,00	10.000
Purchases A (5)	1.01.20X7	1.000,00	10.000
Purchases B	1.01.20X7	105.000,00	150.000
Depreciation on Blender		18.000,00	
Direct Labor		200.000,00	
Lighting, Power for Plant		130.000,00	
Sales		(1.000.000,00)	
Salary Manager		68.000,00	
Depreciation sales office		100.000,00	
Salary Sales Manager		53.800,00	
Other expenses		118.200,00	

**Exhibit 1: Data****Lösung: (Solution)**

BUNTERMAYER applies the periodic system for inventory accounting. It is required to set up the manufacturing summary account which contains the opening values and closing stock of inventories. Further-

more it contains the opening values for Work-in-Process as at 1.01.20X7 and as at 31.12.20X7. See computation below:

$$\text{WIP-A}_{31.12.} = 6,000 \cdot (750 + 250 + 900 + 1,100 + 1,000 + 1,200 + 1,000) / (7,500 + 2,500 + 5 \cdot 10,000) = 620.00 \text{ EUR.}$$

$$\text{Inv-A}_{31.12.} = 1,500 \cdot (750 + 250 + 900 + 1,100 + 1,000 + 1,200 + 1,000) / (7,500 + 2,500 + 5 \cdot 10,000) = 155.00 \text{ EUR.}$$

$$\text{WIP-B}_{31.12.} = 5,000 \cdot (7,000 + 105,000) / (10,000 + 150,000) = 3,500.00 \text{ EUR.}$$

$$\text{Inv-B}_{31.12.} = 5,000 \cdot (7,000 + 105,000) / (10,000 + 150,000) = 3,500.00 \text{ EUR.}$$

Based on that information the MSA-Account can be set up:

D	MSA		C
(OV-A)	750,00	Inv-A <sub>31.12.</sub>	155,00
(OV-B)	5.250,00	Inv-B <sub>31.12.</sub>	3.500,00
WIP-A <sub>1.01</sub>	250,00	WIP-A <sub>31.12.</sub>	620,00
WIP-B <sub>1.01</sub>	7.000,00	WIP-B <sub>31.12.</sub>	3.500,00
Purch-A-1	900,00	c/d	115.675,00
Purch-A-2	1.100,00		
Purch-A-3	1.000,00		
Purch-A-4	1.200,00		
Purch-A-5	1.000,00		
Purch-B	105.000,00		
	<u>123.450,00</u>		<u>123.450,00</u>
b/d	115.675,00	COM (c/d)	463.675,00
Depr.	18.000,00		
Dir. labour	200.000,00		
Lighting, ...	130.000,00		
	<u>463.675,00</u>		<u>463.675,00</u>
COM (b/d)	463.675,00	T/A	463.675,00

**Exhibit 2:** Manufacturing Summary Account

In order to set up the Trading Account (T/A) the closing stock of lacquer is to be calculated. It amounts to  $20,000 \cdot (20,325 + 463,675) / [(60,000 - 6,000 - 1,500) + (7,500 + 10,000 + 150,000 - 5,000 - 5,000) + 10,000] = 44,000.00 \text{ EUR.}$

Observe the Trading and Profit and Loss Account below:

D	T/A	C	D	P&L	C
COM	463.675,00	Sales	1.000.000,00	Manger	68.000,00
OV	20.325,00	Cl. St. L	44.000,00	Depr. SO	100.000,00
GP (c/d)	560.000,00		Sales Mger	53.800,00	
	1.044.000,00		Other	118.200,00	
P&L	560.000,00	GP (b/d)	560.000,00	EBT (c/d)	220.000,00
				560.000,00	560.000,00
				EBT (b/d)	220.000,00

Exhibit 3: Profitability calculation