

2. The following data is taken from the books of the Ontario Foundry, Dec. 31, 19— :

Cash on hand, \$500; Accounts Receivable, \$73850; Patents cost \$5000; Tools cost \$12500; Office Furniture, \$2000; Patterns cost, \$16500; Premises, \$25000; Plant and machinery, \$44000; Freight inwards, \$4000; Stock on hand, Jan. 1, \$45000; Purchases, \$70000; Wages, \$59000; Sales, \$200000; Royalties cost \$1000; Interest cost \$5600; Directors' Fees, \$500; Office Expenses, \$2250; Office Salaries, \$7000; Taxes on Plant, \$1300; Advertising, \$1250; Heat, Light and Power, \$2250; Repairs to Plant, \$4000; Setting up Machinery, \$8000; Reserve for Bad Debts, \$1000; Bank Overdraft, \$4500; Accounts Payable, \$35000; Capital Stock, \$150000.

Allow for depreciation as follows: Premises, 3%; Plant and machinery, 10%; Patterns, 10%; Patents, 10%; Office Furniture, 5%. Reserve 6% of accounts receivable for bad debts. Stock on hand, Dec. 31, is valued at \$47500; Tools at \$11500.

It is proposed to declare a dividend of 5%, and carry the balance to Profit and Loss account.

(a) Make out a Manufacturing Account, Trading Account, Profit and Loss Account, Appropriation Account, and Balance Sheet. Enter percentages throughout.

(b) Calculate the percentage of Workshop Expenses on Wages.

(c) Calculate the percentage of General Expenses on Wages.

(d) Job No. 175 is an order for a Vertical Engine, and the cost account shows: Material used, Frames, Chest, Corner, Base, &c., Cast Iron, \$23.50; Lubricators, &c., Brass, \$6.02; Bearings, Brass, \$1.62; Crank Shaft, Wrought Iron, \$1.56; Steel Rod, 68 cents; Nuts, Caps, Screws, &c., Steel, 39 cents; Babbit, \$4.75.

Labour: Patterns, \$15.25; Drawings, \$4.32; Lathe, \$49.10; Forging, \$10.12; Fitter, \$19.60; Helper, \$6.25.

Add the necessary percentages for workshop and general expenses, and find:

- i. Prime Cost.
- ii. Complete Cost, including selling expenses.
- iii. Selling Price, reckoning $12\frac{1}{2}\%$ profit on Sales.