

REVIEW PROBLEM 1.1

The following data are available for the year ended December 31, 2015:

- Beginning inventory of raw materials: €50,000.
- Purchases of raw materials: €300,000.
- Ending inventory of raw materials: €20,000.
- Personnel expenses: €40,000:
 - ✓ Direct labour costs: €15,000.
 - ✓ Indirect labour costs: €2,000.
 - ✓ Administration labour costs: €10,000.
 - ✓ Distribution labour costs: €13,000.
- Utilities: €45,000.
- Depreciation: €100,000:
 - ✓ Plant and equipment: 80,000.
 - ✓ Administration equipment: €5,000.
 - ✓ Distribution equipment: €15,000.
- Finance expenses: €6,200.
- Beginning inventory of work in progress: €11,000.
- Ending inventory of work in progress: €1,000.
- Beginning inventory of finished products: €32,000.
- Ending inventory of finished products: €23,000.
- Revenue: €800,000.

Required: Calculate product costs, period costs, gross profit and net profit.

