**Exercise 18-13**

Manufacturing statement preparation

Given the following selected account balances of Randa Company, prepare its manufacturing statement in proper form for the year ended on December 31, 2005. Include a listing of the individual overhead account balances in this statement.

Sales . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,252,000

Raw materials inventory, Dec. 31, 2004 . . . . . . . . . . 39,000

Goods in process inventory, Dec. 31, 2004 . . . . . . . 55,900

Finished goods inventory, Dec. 31, 2004 . . . . . . . . . . 64,750

Raw materials purchases . . . . . . . . . . . . . . . . . . . . . 177,600

Direct labor . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 227,000

Factory computer supplies used . . . . . . . . . . . . . . . 19,840

Indirect labor . . . . . . . . . . . . . . . . . . . . . . . . . . . . 49,000

Repairs—Factory equipment . . . . . . . . . . . . . . . . . 7,250

Rent cost of factory building . . . . . . . . . . . . . . . . . . 59,000

Advertising expenses . . . . . . . . . . . . . . . . . . . . . . . 96,000

General and administrative expenses . . . . . . . . . . . . 131,300

Raw materials inventory, Dec. 31, 2005 . . . . . . . . . . 44,700

Goods in process inventory, Dec. 31, 2005 . . . . . . . 43,500

Finished goods inventory, Dec. 31, 2005 . . . . . . . . . . 69,300

**Check** Cost of goods manufactured,

$546,390

**Problem 18-2A**

Lean business concepts

A trip through a drive-up window of any leading fast-food restaurant is useful in understanding concepts such as total quality management (TQM), just-in-time (JIT), and continuous improvement (CI). Each restaurant can be viewed as a small manufacturing center. List two fast-food restaurants you are familiar with in the first column of the following table (e.g., McDonald’s, Taco Bell, Burger King, and KFC). Record in the table how each company is putting each of these lean business concepts into action, both favorably and unfavorably.

**Restaurant TQM JIT CI**

**Restaurant TQM JIT CI**

1.

2.