

COST SHEET**ASSIGNMENT SOLUTIONS****PROBLEM NO 1**

(i) Cost Sheet

Output: 4,000 units

PARTICULARS	TOTAL COST(Rs.)	Cost per unit
Raw materials	1,80,000	45.00
Direct wages	90,000	22.50
Prime cost	2,70,000	67.50
Add: Factory overheads (10,000 hrs × Rs. 8 perhour)	80,000	20.00
Cost of Production	3,50,000	87.50
Less: Closing Stock of finished goods (4,000 – 3,600 units)	(5,000)	-
Cost of Goods Sold	3,15,000	87.50
Add: Administration overheads	35,000	8.75
Add: Selling Overheads (3,600 units × Rs. 5 unit)	18,000	5.00
Cost of sales (total Cost)	3,68,000	101.25

(ii) Statement of Profit

PARTICULARS	TOTAL COST(Rs.)
Sales revenue (3,600 units @ Rs. 125)	4,50,000
Less: Cost of sales	3,68,000
Profit	82,000

PROBLEM NO 2

Statement showing calculation of cost of production of for the month of march 2019.

Particulars		Total cost
1.Direct materials consumed :		
Opening stock	89,000	
Add: Purchases/additions	39,52,000	
Less: closing stock	(5,00,000)	35,41,000
2.Direct employee labour cost		1,37,98,000
3.Direct expenses		42,55,300
4.prime cost(1+2+3)		2,15,94,300
5.works / factory overhead	-	-
Works cost		2,15,94,300
Add: opening work in progress	1,50,000	
Less: closing work in progress	(59,000)	
Factory cost		2,16,85,300
Sale of scrap		(50,000)
Cost of production		2,16,35,300
Add: opening stock of finished goods	1,30,000	

Less: closing stock of finished goods	(2,00,000)	
Cost of goods sold		2,15,85,300
Add: administration expenses	30,20,200	
Add: selling & distribution expenses	3,70,600	
Cost of sales		2,49,56,100
		25756000

PROBLEM NO 3

Calculation of Cost of Production of Arnav Metallic for the period.....

Particulars	Amount (₹)
Raw materials purchased	58,000
Add: Opening stock	5,000
Less: Closing stock	(4,000)
Material consumed	59,000
Wages paid	23,000
Prime cost	82,000
Repair and maintenance cost of plant & machinery	10,000
Insurance premium paid for inventories	3,000
Insurance premium paid for plant & machinery	2,000
Quality control cost	15,000
Research & development cost	50,000
Administrative overheads related with factory and production	30,000
Total	1,92,000
Add: Opening value of W-I-P	2,500
Less: Closing value of W-I-P	(7,500)
	1,87,000
Less: Amount realised by selling scrap	(2,000)
Add: Primary packing cost	5,000
Cost of Production	1,90,000

Notes:

- (i) Other administrative overhead does not form part of cost of production.
- (ii) Salary paid to Director (Technical) is an administrative cost.

Problem no 4

i) Statement showing calculation of total cost of production.

particulars	Amt (rs.)
Opening stock of raw material	3,000
Add : purchases	28,000
Less: closing stock of raw material	(4,500)
Raw material consumed	26,500
Wages	7,000
Depreciation	1,500
Factory rent & rates	3,000
Administration overheads	900
Cost of production	38,900

ii) Statement showing calculation of cost per unit.

Production units = 3,000 U

Cost per unit = $38900/3000 = \text{Rs.}12.97$

III) Statement showing calculation of cost of goods sold.

particulars	Amt (rs.)
Opening stock of finished goods	200
Add : production	3,000
Less: closing stock of finished goods	(400)
	2,800 U
Calculation of cost:	
Opening goods (200U)(given)	2,800
Current production (2600x12.97)	33,722
cost of goods sold.	36,522

PROBLEM NO 5

Computation raw material purchased:

Particulars	Amt.
Cost of goods sold	75,000
Add: closing stock of finished goods	1000
Less: opening stock of finished goods	(3,500)
Cost of goods manufactured	72,500
Add: closing stock of WIP	21,000
Less: opening stock of WIP	(30,000)
Works cost	63,500
Less: factory overhead(50%of DLC)	5000
Prime cost	58,500
Less: Direct labour	(10,000)
Raw material consumed	48,500
Add: closing stock of raw material	15,000
Raw material available	63,500
Less: opening stock of raw material	5000
Value of material purchased	58,500

Cost statement

particulars	Amt.
Raw material consumed	48,500
Add: direct labour	10,000
Prime cost	58,500
Add: factory overhead	5000
Works cost	63,500
Add: opening WIP	30,000
Less: closing WIP	(21,000)
Cost of goods manufactured	72,500
Add: opening stock of finished goods	3,500
less : closing stock of finished goods	(1000)
Cost of goods sold	75,000
Add: general and administration expenses	1000
Add: selling expenses	2500
Cost of sales	78,500
sales	1,00,000
Profit(1,00,000-88,500)	21,500

Copyrights Reserved
To **MASTER MINDS**, Guntur

The End