

## 12. JOB COSTING

## ASSIGNMENT SOLUTIONS

## PROBLEM NO:1

a) Calculation of OHs rates from the available data

Particulars	Amount (Rs.)	Amount (Rs.)
Direct Material		1,99,000
Direct wages: Machine shop	63,000	
: Assembly shop	48,000	1,11,000
Prime cost		3,10,000
<b>Add:</b> Works OHS: Machine Shop	88,200	
: Assembly Shop	51,800	1,40,000
Works cost/ factory cost		4,50,000
<b>Add:</b> Administration OHS		90,000
Cost of production		5,40,000
<b>Add:</b> Selling OHS	81,000	
Distribution OHS	62,100	1,43,100
Cost of sales / total cost		6,83,100

- i) % of admin OHs on WC =  $\frac{\text{Rs.}90,000}{\text{Rs.}4,50,000} \times 100 = 20\%$
- ii) % of selling OHs on WC =  $\frac{\text{Rs.}81,000}{\text{Rs.}4,50,000} \times 100 = 18\%$
- iii) % of distribution OHs on WC =  $\frac{\text{Rs.}62,100}{\text{Rs.}4,50,000} \times 100 = 13.8\%$

b) Statement of estimated Job Cost

Particulars	Amount (Rs.)	Amount (Rs.)
Direct materials: 25 kgs x 16.80	420	
15 kgs x 20	300	720
Direct Labor		
Machine Shop : $\frac{63,000}{12,000\text{hr}} \times 30\text{hr}$	157.50	
Assembly Shop: $\frac{48,000}{10,000\text{hr}} \times 42\text{hr}$	201.60	359.10
Prime cost		1079.10
Add: works OHS		
Machine shop : $\frac{88,200}{12,000\text{hr}} \times 30\text{hr}$	220.50	
Assembly shop : $\frac{51,800}{10,000\text{hr}} \times 42\text{hr}$	217.56	438.06
Works cost / factory cost		1517.16
<b>Add:</b> Admin OHS @ 20% of WC		303.43
Cost of production		1820.59
<b>Add:</b> Selling & Distribution OHS @ 31.8% on WC		482.46
Cost of Sales or total Cost		2303.05

∴ Job Cost = Rs. 2303.05

THE END