

COST SHEET

PRACTICAL PROBLEMS AND SOLUTION

PROBLEM NO: 1.

From the following information you are required to prepare cost sheet for the year ended 31st March 2019.

Particulars	Rs.
Stock of raw materials on 1 st April 2018	10,000
Carriage Inward	5,000
Direct Wages	50,000
Direct Expenses	40,000
Purchases of raw materials	2,00,000
Factory Rent	4,000
Motive Power	2,000
Carriage outward	6,000
Advertisement	12,000
Telephone Charges	3,000
Sales Commission	8,000
Income Tax	10,000
Office Rent	20,000
Divined Received	40,000
Director's Remuneration	25,000
Warehouse Rent	18,000
Sales	5,00,000
Stock of raw materials on 31 st March 2019	60,000

COST SHEET

For the year ended 31st March 2019

Particulars	Amount (Rs.)	Amount (Rs.)
Opening stock of raw materials	10,000	
Add Purchases of raw materials	2,00,000	
Add Carriage Inward	5,000	
	2,15,000	
Less Closing stock of raw materials	60,000	
COST OF MATERIAL CONSUMRD		1,55,000
Add Direct Wages		50,000
Add Direct Expenses		40,000
PRIME COST		2,45,000
Add Factory Overheads		
Factory Rent	4,000	
Motive Power	2,000	6,000
FACTORY COST		2,51,000
Add Office Overheads		
Telephone Charges	3,000	
Office Rent	20,000	
Director's Remuneration	25,000	48,000
COST OF PRODUCTION		2,99,000
Add Selling& Distribution Overheads		
Carriage outward	6,000	
Advertisement	12,000	
Sales Commission	8,000	
Warehouse Rent	18,000	44,000
TOTAL COST		3,43,000
PROFIT		1,57,000
SALES		5,00,000

PROBLEM NO: 2

From the following particulars, prepare a cost sheet for the year ended 31st December 2018.

Particulars	Rs.
Stock on 1 st Jan 2018	
Raw materials	40,000
Finished goods	6,000
Work-in Progress	15,000
Purchases of raw materials	4,75,000
Carriage inward	12,000
Factory rent	7,000
Direct expenses	43,000
Income Tax	10,000
Direct wages	1,75,000
Power expenses	10,000
General expenses	33,000
Sales for the year	8,60,000
Depreciation on Plant & Machinery	10,000
Stock on 31 st Dec. 2018	
Raw materials	50,000
Finished goods	15,000
Work-in Progress	10,000
Office Rent	20,000
Advertisement	12,000

COST SHEET

For the year ended 31st December 2018

Particulars	Amount (Rs.)	Amount (Rs.)
Opening stock of raw materials	40,000	
Add Purchases of raw materials	4,75,000	
Add Carriage Inward	12,000	
	5,27,000	
Less Closing stock of raw materials	50,000	
COST OF MATERIAL CONSUMED		4,77,000
Add Direct wages		1,75,000
Add Direct expenses		43,000
PRIME COST		6,95,000
Add Factory Overheads		
Factory rent	7,000	
Depreciation on Plant & Machinery	10,000	
Power expenses	10,000	
Add Opening stock of Work-in Progress	15,000	
	42,000	
Less Closing stock of Work-in Progress	10,000	32,000
FACTORY COST		7,27,000
Add Office Overheads		
General expenses	33,000	
Office Rent	20,000	53,000
COST OF PRODUCTION		7,80,000
Add Opening stock of Finished Goods		6,000
		7,86,000
Less Closing stock of Finished Goods		15,000
COST OF GOODS SOLD		7,71,000
Add Selling & Distribution Overheads		
Advertisement	12,000	12,000
COST OF SALE		7,83,000
PROFIT		77,000
SALES		8,60,000

PROBLEM NO:3

Following information is provided by Raj Industries Ltd. Pune

Particulars	Opening Balance (Rs.)	Closing Balance (Rs.)
Stock of raw material	40,000	50,000
Stock of Finished Goods	1,00,000	1,50,000
Stock of Work-in Progress	10,000	14,000

Other information:

Particulars	Rs.
Indirect labour	50,000
Lubricants	10,000
Insurance on Plant	3,000
Purchases of raw material	4,00,000
Commission on sale	60,000
Salary of salesman	1,00,000
Administrative expenses	1,00,000
Carriage outward	20,000
Power & Fuel	30,000
Direct Labour	3,00,000
Depreciation on machinery	50,000
Factory rent	60,000
Repairs to factory building	11,000
Sales	12,00,000

Prepare a cost sheet and show profit/ loss.

COST SHEET

Particulars	Amount (Rs.)	Amount (Rs.)
Opening stock of raw materials	40,000	
Add Purchases of raw materials	4,00,000	
	440000	
Less Closing stock of raw materials	50,000	
COST OF MATERIAL CONSUMED		3,90,000
Add Direct labour		3,00,000
PRIME COST		6,90,000
Add Factory Overheads		
Indirect Labour	50,000	
Repairs to factory building	11,000	
Insurance on plant	3,000	
Lubricants	10,000	
Factory rent	60,000	
Depreciation on Machinery	50,000	
Power & Fuel	30,000	
Add Opening stock of Work-in Progress	10,000	
	2,24,000	
Less Closing stock of Work-in Progress	14,000	2,10,000
FACTORY COST		9,00,000
Add Office Overheads		
Administrative expenses	1,00,000	1,00,000
COST OF PRODUCTION		10,00,000
Add Opening stock of Finished Goods		1,00,000
		11,00,000
Less Closing stock of Finished Goods		15,0000
COST OF GOODS SOLD		9,50,000
Add Selling & Distribution Overheads		
Commission on sale	60,000	
Salary to salesman	1,00,000	
Carriage outward	20,000	1,80,000
COST OF SALE		11,30,000
PROFIT		70,000
SALES		1200000

