**Cost Sheet or Statement of Cost**

1. From the following prepare statement of cost for the period ending 31/12/2018.

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods | 12,000 | 30,000 |
| Stock of raw materials | 80,000 | 1,00,000 |
| Work in progress | 30,000 | 20,000 |

Raw materials purchased- Rs.9,50,000, Carriage inward –Rs25,000, Wages-Rs 3,50,000, Work manager’s salary- Rs60,000, Factory employees salary-Rs, 1.20,000, Factory rent, tax and insurance –Rs14,000, Power expenses- Rs.19,000, Other production expenses Rs.85,000, General expenses- Rs.65,000, Sales- Rs17,20,000, Income Tax- Rs.5,500, Debenture interest- Rs-5,000, Good will- Rs.10,000.

**Ans-Profit- Rs.60,000/-**

1. From the following prepare statement of cost:

Work in progress ( 1/1/2018) at prime cost Rs75,000

Manufacturing expenses ( 1/1/2018 Rs25,000

Work in progress (31/12/2018) at prime cost Rs60,000

Manufacturing expenses (31/12/2018)- Rs12,000

Opening stock of raw material –Rs2,75,000

Purchase of raw material- Rs.5,27,000

Manufacturing expenses –Rs98,000

Direct labour- Rs2,25,000

Closing stock of raw materials- Rss2,64,000

**Ans- Rs.8,77,000**

1. From the following prepare statement of cost:

Raw materials – Rs.2,50,000, Direct labour- Rs3,50,000, Indirect labour- Rs75,000, Expenses on storage ( Factory)- Rs.20,000, Office expenses- Rs.75,000, Director’s fees- Rs.20,000, Managing director’s salary- Rs25,000, Selling expenses- Rs40,000, Miscellaneous expenses- Rs30,000, Depreciation on plant and machinery Rs50,000 and profit is 20% on Sales.

**Ans- Profit- Rs,2,33,750 and sales- 11,68,750.**

1. From the following prepare Statement of Cost.

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods | 17,360 | 15,750 |
| Stock of raw materials | 25,000 | 26,250 |
| Work in progress | 8,220 | 9,100 |

Purchase of raw materials- Rs.21,900, Sales- 72,310, Direct wages-Rs17,150, Non-productive wages- Rs830, Works expenses- Rs8,340, Office expenses- Rs3,610, Selling expenses- Rs4,210.

**Ans-Profit- Rs.17,240**

1. Prepare cost sheet from the following:

Purchase of raw material- Rs6,500, Direct wages- Rs.5,000, Rent, rate and insurance- Rs.2,000, Carriage inward- Rs100, Opening stock of raw materials- Rs1,000, Closing stock of raw materials- Rs1,100, Opening stock of finished goods( 200 units)- Rs800, closing stock of finished goods- 400 units, Cost of factory supervision Rs400, Sales ( 3000 units)-Rs15,000, Advertising expenses per unit 0.40 paisa per unit.

**Ans-Rs.1,275 Profit**

1. Prepare statement of cost from the following:

Raw materials- Rss.15,000, Direct labour- Rs.9,000, Machine hours worked- 900 hours, Machine hour rate- Rs 5, Office Overhead- Rs20% of works cost, Selling overhead0 Re.0.50 per unit, units produced- Rs17,100, Units sold- 16,000 units of Rs4 per unit.

**Ans-Profit-Rs.24,000**

1. Prepare statement of cost

Opening stock of raw materials-Rs10,000, closing stock of raw materials- Rs.5,000, purchase of raw materials- Rs.10,000, Direct labour charges- Rs12,000, Machine hours worked- 1,000 hours, Machine hour rate Rs8 per hour, office overhead- 20% of works cost, selling overhead- 50 paise per unit sold, units produced- 14,000 units, units sold- Rs4 per unit.

**Ans- Profit- 6,750**

1. Prepare statement of cost:

Direct labour cost Rs16,000 ( 160% of factory overhead)

Cost of goods sold- Rs.56,000

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods | 14,000 | 18,000 |
| Stock of raw materials | 8,000 | 8,600 |
| Work in progress | 8,000 | 12,000 |

Selling expenses- Rs.3,600, General expenses- Rs.2,600, Sales- Rs.75,000

**Ans- Profit- Rs.15,600**

1. Prepare statement of cost:

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods | 1,00,000 | 1,50,000 |
| Stock of raw materials | 40,000 | 50,000 |
| Work in progress | 12,000 | 14,000 |

Indirect labour- Rs80,000, Lubricants- Rs10,000, Insurance on plant- Rs3,000, Purchase of raw materials- Rs4,00,000, Administrative expenses- Rs1,00,000, Power- Rs30,000, Sale of scrap- Rs2,000, Direct labour- Rs3,00,000, Sales commission – Rs60,000, Salary of sales man- Rs1,00,000, Carriage outward- Rs20,000, Depreciation- Rs50,000, Factory rent- Rs60,000, Property tax on factory building –Rs11,000, Sales- Rs.12,00,000.

**Ans- Profit-Rs70,000.**

1. Prepare Statement of cost:

Sales- ( 80,000 units)- Rs,8,00,000,

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods | 40,000 | 32,000 |
| Stock of raw materials | 64,000 (16,000 units) | ? (34,000 units) |
| Work in progress | 65,000 | 72,000 |

Materials purchased- Rs1,52,000,Direct labour- Rs1,45,000, Manufacturing overhead- Rs1,08,000, Selling overhead- Rs50,000, General expenses- Rs40,000

**Ans- Profit- Rs4,01,265 and Closing stock- Rs1,51,265.**

1. Prepare statement of cost:

|  |  |  |
| --- | --- | --- |
| Particulars | 1/1/2018 | 31/12/2018 |
| Stock of finished goods in units | 200 | 400 |
| Stock of raw materials | 3,000 | 4,500 |

Raw materials purchased Rs28,000, Depreciation on plant Rs1,500, Manufacturing wages Rs7,000, loss on sale of plant- Rs300, factory rent- Rs3,000, office rent- Rs500, General expenses- Rs400, Discount on sales- Rs300, advertisement- Rs600, Income tax- Rs2,000, Sales- Rs50,000

Number of units produced during the year- 3,000 units.

Value of finished goods (opening)- Rs2,800.

**Ans- Profit- Rs.12,887**.

1. Prepare statement of cost for two products:

|  |  |  |
| --- | --- | --- |
| Particulars | A | B |
| Materials | 27,300 | 1,08,680 |
| Labour | 15,600 | 62,920 |
| Number of units sold | 78 | 286 |
| Sales price per unit | Rs1,000 | Rs1,000 |
| Works overhead | 80% of labour | |
| Office overhead | 15% of works cost | |

**Ans- Profit for A- Rs14,313, For B- Rs30,774**

**Tender or Quotation Sheet**

1. The following figures related to manufacture of 3,000 electric fans, for three months ending 31/12/2018.

|  |  |  |
| --- | --- | --- |
| Particulars | Opening stock | Closing stock |
| Finished goods | Nil | 20,250 |
| Stock of raw materials | 5,000 | 3,500 |
| Factory wages | Rs.75,000 | |
| Indirect wages | Rs12,500 | |
| Materials purchased | Rs.32,500 | |
| Profit on sales | 10% | |

Prepare a statement showing the cost per fan and the price to be quoted for 100 fans to realize the same percentage of profits as was realized during the said period, assuming the same conditions.

**Ans- Rs11,250 and Rs450**

1. Prepare a statement of cost from the following particulars of production of 1,500 units:

Cost of materials- Rs1,20,000, Salaries (fixed)- Rs90,000, Wages ( fixed)- Rs1,80,000, Factory expenses Rs75,000, Rent, rate and insurance- Rs15,000, Selling expenses- Rs45,000, General expenses ( fixed)- Rs30,000, Sales- Rs6,00,000.

The sales manager of the company estimates the sales during next year will be 2,000 units. Prepare a statement showing the estimate cost for 2,000 units and the sales price per unit to earn 20% profit on selling price. The following changes have been expected.

Rise in price of raw materials by 20%.

Wages will up by 5%

Other expenses will remain same.

**Ans- Profit- Rs.75,000, Rs.1,60,250.**

1. The following figures related to costing of Tarpulin manufactured in respect of a certain type of sheet for a period of three months:

|  |  |  |
| --- | --- | --- |
| Particulars | Opening stock | Closing stock |
| Finished goods | Nil | 29,000 |
| Stock of raw materials | 5,500 | 3,500 |
| Factory wages | Rs.83,000 | |
| Indirect wages | Rs13,000 | |
| Materials purchased | Rs.61,500 | |
| Sales | Rs.141,500 | |

The number of sheets manufactured during three months was 2,200 and the price is to be quoted for 648 sheets, in order to realise the same percentage of profits as for the period under review, assuming no alteration in rates of wages and cost of materials.

Prepare a statement of cost for the manufacture of 2,200 sheets and quotation for 648 sheets.

**Ans- Profit-Rs.11,000 and Rs3,960**

1. The following are the costing records for the year 2018 of a manufacturing company:

Production 1,000 units

Cost of raw materials Rs20,000.

Labour cost- Rs12,000

Factory overhead- Rs.8,000

Office overhead- Rs4,000

Selling expenses- Rs1,000

Rate of profit 25% of the selling price

The manufacturer decides to produce 1,500 units during 2019. It is estimated that the cost of raw materials will increase by 20%, labour cost will increase by 10%, 50% of factory overhead charges are fixed and other 50% are variable. The selling expenses per unit will be reduced by 20%. The rate of profit will remain the same.

Prepare a cost statement for 2018 and 2019.

**Ans- Profit Rs24,000 ( 2019), Rs15,000 ( 2018)**

1. The company’s record shows the following particulars for the year 2018. Production and sales of 100 fans:

Direct materials- Rs25,000, Direct labour- Rs10,000, Direct charges- Rs1,000, works overhead- Rs.9,000, Office overhead- Rs5,000, Selling overhead- Rs5,000 and Profit- Rs11,000.

You ascertain that 80% of works overhead fluctuates directly with production and 70% of selling overhead fluctuates with sales. It is ascertained that the company would produce 500 fans for the year 2019 and the direct labour charges per unit will be reduced by 10%. While fixed works overheads charges will increase by Rs2,400 . Office overhead and fixed selling overhead charges are expected to show an increase of 10% and 20% respectively but otherwise no changes are anticipated.

Prepare statement of cost for the year 2018 and 2019

**Ans- Profit- Rs11,000 ( 2018), Rs56,675 ( 2019)**

1. From the following data prepare a cost sheet:

|  |  |  |
| --- | --- | --- |
| Particulars | Opening stock | Closing stock |
| Finished goods | 20,000 | 1,60,000 |
| Stock of raw materials | 1,40,000 | 19,600 |
| Factory wages | Rs.3,80,000 | |
| Administrative overhead | Rs40,000 | |
| Materials purchased | Rs.2,10,000 | |
| Factory expenses | Rs.70,000 | |
| Sales | Rs.7,56,000 | |

The number of units manufactured in 2018 was 4,000 including those sold and those in stock at the end.

What should be the price to be quoted for supply of 1,000 units in the year 2019 on the basis of the above figures and assuming that materials value and labour cost would increase by 15% and 10% respectively?

**Ans- Profit- Rs75,600 ( 2018), Profit- Rs.25,221 (2019)**

1. BCM Cold Ltd. Manufactured and sold 2,000 Refrigerators in the year ending 31/12/2018. The summarized trading and profit and loss account is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amount | Particulars | Amount |
| To cost of materials  To Direct wages  To Manufacturing cost  To salaries  To rent, rate  To Selling expenses  To General expenses  To Net profit | 1,00,000  2,40,000  1,00,000  1,20,000  20,000  60,000  40,000  60,000 | By sales | 8,00,000 |
|  | 8,00,000 |  | 8,00,000 |

For the year 2019 the company wants to produce 3,000 units. From the following particulars prepare a statement showing the price at which units would be marked so as to show a profit of 10% on selling price.

Price of materials will rise by 20%.

Wages will rise by 5%.

Manufacturing cost will rise in proportion to the combined cost of materials and wages.

Selling expenses per unit will remain unchanged.

Other expenses will remain unaffected by rise in output.

**Ans- Profit –Rs60,000 (2018), Rs1,22,500 (2019)**

1. The following expenses were incurred for a job during the year ending 31/12/2018.

Direct materials- Rs.5,000, Direct wages- Rs3,000, Chargeable expenses- Rs2,000, Factory overhead- Rs.3,000, Administrative overhead- Rs4,000 and Selling overhead Rs3,000.

Selling price of the above job was Rs25,000. You are required to prepare statement showing the profit earned during the year 2016 and estimated price of job which is to be executed in 2019. Materials, wages and chargeable expenses will be Rs.8,000, Rs10,000 and Rs2,000 respectively. The overheads are recovered as below:

Factory overhead as a percentage of direct wages

Administrative overhead and selling overhead as percentage of factory cost.

**Ans- Profit for 2018-Rs.5,000 and for 2019-12,071.**