

**1. 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 × 8 per hour)	80,000	20.00
Cost of Production	3,50,000	87.50
Less: Closing Stock of finished goods (4,000 – 3,600 units)	(35,000)	-
Cost of Goods Sold	3,15,000	87.50
Add: Administration overheads	35,000	8.75
Add: Selling Overheads (3,600 units × 5 unit)	18,000	5.00
<b>Cost of sales (total Cost)</b>	<b>3,68,000</b>	<b>101.25</b>

ii) Statement of Profit

Particulars	Total Cost (Rs.)
Sales revenue (3,600 units @125)	4,50,000
Less: Cost of sales	3,68,000
<b>Profit</b>	<b>82,000</b>

**PROBLEM NO:2**

Statement showing calculation of cost of sales:

Particulars	Amount (Rs)	Amount (Rs)
Direct material consumed:		
Purchases	28000	
Add: opening stock	3,000	
Less: closing stock	4,500	26,500
Direct wages		7,000
Prime cost		33,500
Add: factory overhead(3000 +1500)		4,500
Factory cost		38,000
Add: administration overhead (related to production)		900
Cost of production		38,900
Add: opening stock of finished goods 200 units		2,800
Less: closing stock of finished goods 400 units*12.966U(38,900/3000)		5186.667
Cost of goods sold		36,513.33
Add: administration expenses		600
Discount on sale		300
Cost of sales		37,413.33

**PROBLEM NO:3**

From the following data of ABC Ltd., Calculate Cost of production:

Particulars	Amount (`)
Raw materials Purchased	64,00,000
Add: Opening stock	2,88,000
Less: Closing stock	(4,46,000)
<b>Material consumed</b>	<b>62,42,000</b>
Wages paid	23,20,000
Prime cost	85,62,000
Repair and maintenance cost of plant & machinery	9,80,500
Insurance premium paid for inventories	26,000
Insurance premium paid for plant & machinery	96,000
Quality control cost	86,000
Research & development cost	92,600
Administrative overheads related with factory and production	9,00,000
	1,07,43,100
Add: Opening value of W-I-P	4,06,000
Less: Closing value of W-I-P	(6,02,100)
	1,05,47,000
Less: Amount reliazed by selling scrap	(9,200)
Add: Primary packing cost	10,200
<b>Cost of Production</b>	<b>1,05,48,000</b>

**Notes:**

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

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**THE END**