

Problem No. 3 Solution

Solution

The Poona Pioneer Products Ltd.,
Cost Sheet
for the month March, 1999

Particulars	Rs.	Rs.
Opening Stock of Raw Materials	3,000	
Purchases of Raw Materials	17,000	
Carriage Inward	600	
	20,600	
Less : Closing Stock of Raw Materials	2,600	
Material Consumed		18,000
Direct Wages		24,000
Direct Expenses		12,000
1. Prime Cost		54,000

Works Overheads :	600	
Indirect Wages	9,000	
Power	2,400	
Rent, Rates (Factory)	800	
Lighting (Factory)	600	
Insurance (Factory)	400	
Repairs to Machinery	1,600	
Indirect Material	2,800	
Supervision (Factory)	400	
Depreciation of Plant	1,000	
Drawing Office Salaries	19,600	
	2,400	
<i>Add : Work-in-Progress on 1-4-1999</i>	22,000	
	3,000	
<i>Less : Work-in-Progress on 31-3-1999</i>	19,000	
	1,000	18,000
<i>Less : Sale of Scrap</i>		
2. Factory Cost		72,000
Office Overheads :		
Salaries of Office Staff	9,200	
Rent, Rates (Office)	2,200	
Lighting (Office)	1,000	
Insurance (Office)	800	
Supervision (Office)	1,000	
Sundry Expenses	1,800	
Repairs to Buildings	400	
Depreciation of Building	600	
Counting House Salaries	1,000	18,000
	90,000	
3. Cost of Production		90,000
<i>Add : Opening Stock of finished goods</i>	18,000	
	1,08,000	
<i>Less : Closing Stock of finished goods</i>	36,000	
Cost of goods sold		72,000

Selling and Distribution Overheads :	
Carriage Outwards	400
Travelling Expenses	1,200
Advertising	2,400
Agents' Commission	3,000

Salesman's Salary	2,000	
Bad Debts	200	
Delivery-van Expenses	600	9,800
4. Cost of Sales		81,800
Net Profit		22,200
Sales		1,04,000

Problem No. 4 Solution

Solution :

Cost Sheet

Particulars	Rs.	Rs.
Opening Stock of Raw Materials	21,000	

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Purchases of Raw Materials	48,000	
	69,000	
<i>Less : Closing Stock of Raw Material</i>	10,600	
Materials Consumed		58,400
Direct Expenses		1,700
Direct Wages		18,000
Prime Cost		78,100
Works Overhead		
Motive Power	12,000	
Indirect Wages	1,700	
Loose Tools Depreciation	950	
Workshop Salary	6,000	20,650
Works Cost		98,750

Office Overhead			
Office Salary			2,000
Cost of Production			1,00,750
Opening Stock of Finished Goods			18,800
			1,19,550
<i>Less : Closing Stock of Finished Goods</i>			20,300
Cost of Goods Sold			99,250
Selling & Distribution Overhead			
Delivery van Expenses	2,900		
Carriage Outward	1,800	4,700	
Total Cost or Sales Cost			1,03,950
Profit			21,050
Sales			1,25,000

Thank u