

# COST ACCOUNTING

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# COST SHEET

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# **COST ACCOUNTING PROBLEM**

**Illustration 9**

The following information is given to you from which you are required to prepare Cost Sheet for the period ended on 31st March 2006:

	Rs.
Consumable material:	
Opening stock	20,000
Purchases	1,22,000
Closing stock	10,000
Direct wages	36,000
Direct Expenses	24,000
Factory overheads	50 % of direct wages
Office and administration overheads	20% of works cost
Selling and distribution expenses	Rs.3 per unit sold
Units of finished goods	
In hand at the beginning of the period (Value Rs. 12500)	500
Units produced during the period	12,000
In hand at the end of the period	1,500

Find out the selling price per unit if 20% profit on selling price. There is no work-in-progress either at the beginning or at the end of the period.

**Solution:**

Cost Sheet for the period ended on 31st March 2006 (output 12000units)

Particulars		Total cost	Cost per unit
Material Consumed:			
Opening Stock	20000		
Add: Purchases	122000		
	<hr/>		
	142000		
Less: Closing Stock	10000		
Cost of raw material consumed	132,000	132000	11.00
Direct wages		36000	3.00
Direct Expenses		24000	2.00
Prime Cost		<hr/>	<hr/>
		192000	16.00
Factory Overheads			
50% of Direct Wages (i.e. $12000 \times 1.50$ )		18000	1.50
Works/Factory overheads		<hr/>	<hr/>
		210000	17.50
Office overheads			
20% of works cost		42000	3.50
Total Cost of production		<hr/>	<hr/>
		252000	21.00