

Advertising = 1,000

carriage outwards = 1500

Bad debts = 300

commission on sales = 4000

Selling & distribution overheads = 6800

total cost $\Rightarrow$ 79100



--1--/20--

20). Raw material consumed = 70,000
 Carriage inwards = 2,000
 Direct wages = 85,000
 Prime cost $\Rightarrow$ 1,57,000

Add: Factory rent = 2,400

Indirect material = 560

Power = 4,600

Depreciation of Pla. & Mach. = 12,400

Factory manager = 18,000

Repairs Pla. & Mach. = 12,000

Factory overheads $\Rightarrow$ 28,000

work cost $\Rightarrow$ 1,85,000

Add: Legal expenses = 350

Printing & stationery = 620

Audit fees = 350

General manager } = 36,000
 Salary }



(31)

---/---/20---

Postage Expenses = 465

Depreciation of furniture = 160

Administration overhead = 37945

Cost of production $\Rightarrow$ 222945

Add: Bad debts = 440

Carriage outward = 1540

Salesmen's Expenses = 3400

Advertising = 500

Selling & distribution overhead = 5880

Total cost 228825

Total cost = 228825,,



21)

Direct wages = 1,50,000

Direct material = 5,00,000

Prime cost $\longrightarrow$ 6,50,000

Add: Work overhead;

Power = 2500

Factory rent = 25000

Repairs factory plant = 17500

Manager Salary = 25000

Factory Lighting = 7500

Storekeeper Wages = 5000

Depreciation factory plant = 2500

oil and water = 2500

Factory overheads = 87500

work cost $\longrightarrow$ 737500

Add: office and administration;

Office rent = 12500



Repair office building = 2500

Depreciation office of buildings } = 6250

Office Lighting = 2500

Office Stationery = 2500

Foremen's salary = 12500

Telephone rent = ⁶²⁵
~~12500~~

Consumer stores = 12500

Director fees = 6250

Postage = 1250

Administration overheads = 59375

Cost of production $\Rightarrow$ 796875

Add: Salesmen's salaries = 6250

Advertising = 6250

Travelling Expenses = 2500

Warehouse rent = 2500 17500

Cost of sales $\Rightarrow$ 814375

Less: Profit Sales 947500

Profit $\Rightarrow$ 133125



22) opening stock of raw material = 25000

Purchase stock of raw material = 85000

carriage inwards = 5000

wages direct = 75000

other direct charges = 15000

205000

Less: closing stock of raw material = 40,000

Prime cost $\Rightarrow$ 1,65,000

Add: work overheads:

wages indirect = 10,000

Indirect consumption of material = 5,000

Factory rent & rates = 500

Depreciation plant = 1500

office factory expenses = 5700

managing director = 4000

26700

work cost $\Rightarrow$ 191700



Add: Office & administrative
overheads;

Office rent & rates = 500
Salary office = 2500
Office other expenses = 900
Office = 2000

Depreciation office } = 100
furniture }

6000

Cost of production $\longrightarrow$ 197700

Add: Selling & distribution;

Salary salesmen = 2000

Other selling expenses = 1000

Travelling expenses = 1100

Carriage outwards = 1000

Advertisement = 2000

Managing director = 6000

13100

Cost of sales $\longrightarrow$ 210800

Less: Sales

2,50,000

Net profit $\longrightarrow$ 39200



_ _ / _ _ / 20 _ _

23) Material Manufacture	= 80,000
Primary packing	= 20,000
Production Labour	= 25,000
Direct Expenses	= <u>2,000</u>
Prime cost	<u> </u> → 127,000

Add: work overhead;

In the factory	= 2,000
Depreciation factory	= 4,000
Labour for factory } supervision	= 5,000

Factory Expenses	= <u>6,000</u>
------------------	----------------

17,000work cost → 144,000

Add: office overheads;

office overhead	= 11,000
-----------------	----------

office material	= 4,000
-----------------	---------

office depreciation	= 3,000
---------------------	---------



Office Salaries = 6,000

Office Expenses = 4,000

17,000

Cost of production $\Rightarrow$ 161,000

Add: Selling and
distribution overheads;

Material Selling = 5,000

Secondary packing = 6,000

Dep. Distribution vans = 2,000

Salesmen's salaries = 8,000

Selling Expenses = 5,000

Distribution expenses = 2,000

28,000

Cost of sales $\Rightarrow$ 189,000

Selling price = $189,000 \times 20\%$

Profit = 37,800 „



---1---/20---

24) opening stock = 20,000

Purchase of raw material = 5,80,000

= 6,00,000

Less: closing stock = 25,000(a) cost of material $\Rightarrow$ 5,75,000Add: Productive wages 3,90,000Prime cost $\Rightarrow$ 9,65,000Add: works overheads }
charges $\Rightarrow$ 86,000(b) work cost $\Rightarrow$ 10,51,000

Add: Stock of finished = 51,000

Office and General Exp. = 70,000

12,10,000

Less: stock of finished
(end) = 50,00071,000

(c) Total cost

11,22,000(d) = $\frac{86,000}{390,000} \times 100$

390,000

= 22.05%



26). opening stock raw material = 2,00,000

Add: Material purchased = 5,00,000

7,00,000

Less: closing stock raw material = 1,80,000

Material consumed = 5,20,000

Add: Direct wages = 1,50,000

Prime cost = 6,70,000

Add: work overhead:

Manufacturing expenses = 1,00,000

Add: opening WIP = 60,000

= 1,60,000

Less: Closing WIP = 50,000

1,10,000

work cost



7,80,000

Add: office overhead:

opening finished goods = 5,000

Less: closing finished goods = 15,000

10,000



(40)

___/___/20__

Cost of production

7,70,000

Add: Selling overhead;

Selling and distribution

= 20,000

Cost of sales

⇒ 7,90,000

Less: Sales

= 8,00,000

Profit

⇒ 10,000

19) Cost of raw material = 25000

Direct Labour = 20,000

Prime cost = 45000

Add: Depreciation of Pl. & Ma. = 1500

Rent of factory = 2500

Factory office salary = 6000

Supervisor salary = 5500

Factory rent & Insurance = 1000

Factory overheads = 16500

work cost = 61500

Add: legal expenses = 300

Office stationery = 200

Office salaries = 10,000

Audit fees = 300

Administration overheads = 10800

Cost of production = 72300

Add:



Advanced cost Accounting

unit - I

Nature and Significance of cost

Accounts - Definition of costing, scope, objectives, Functions and limitations of

cost Accounting - Installation of costing system - Elements of cost - Cost centre

and profit centre and profit centre - preparation of cost sheet, tender of quotations.

unit - II

Methods of costing - process

costing, Treatment of equivalent

production - inter process profit - Joint and by product costing - preparation

of contract Account, cost plus

contract & escalation clause.

unit - III

Standard costing and variance analysis - material, labour and overheads - reporting of variances.

unit - IV

Cost control - Reconciliation statement - control over wastages, scrap, spoilage and defectives - constituting cost reduction cell.

unit - V

Activity Based costing - JIT costing - cost Audit.



③
Advanced cost Accounting

1/20_

1) Raw material consumed.

Raw material purchased = 80,000
less: Sales of scrap = 1,000
79,000

add: opening stock raw material } = 12,000
91,000

less: closing stock raw material } = 2,000
89,000

Raw material consumed $\Rightarrow$ 70,000

2) Material consumed = 5,00,000

less: opening stock material = 50,000
4,50,000

add: closing stock material = 25,000
4,75,000

Raw material purchased } $\Rightarrow$ 4,75,000



(6)

---/---/20---

$$\begin{array}{rcl}
 5) \quad \text{Direct material used} & = & 82000 \\
 \text{productive wages} & = & 17000 \\
 \text{Royalty paid} & = & 11,000 \\
 \text{Hire charge of special} & & \\
 \text{machines for job} & \} & - 13000 \\
 \text{Prime cost} & \Rightarrow & \underline{\underline{1,23,000}}
 \end{array}$$

$$\begin{array}{rcl}
 6) \quad \text{Direct material} & = & 20,000 \\
 \text{Direct Labour} & = & 15,000 \\
 \text{Direct expenses} & = & \underline{3,000} \\
 \text{Prime cost} & \Rightarrow & \underline{\underline{38,000}}
 \end{array}$$

8)

$$\begin{array}{rcl}
 \text{Factory expenses} & = & 700 \\
 \text{Material consumed} & = & 3400 \\
 \text{Prime cost} & \Rightarrow & \underline{\underline{4100}}
 \end{array}$$



(9)

---/---/20---

$$\begin{array}{lcl} 12) & \text{Office salaries} & = 10,000 \\ & \text{Stationary} & = 5,000 \\ & \text{Audit fees} & = 2,000 \\ & \text{Depreciation of } \left. \begin{array}{l} \text{office fitting} \\ \text{office overhead} \end{array} \right\} & = 3,000 \\ & & \underline{\hspace{2cm}} \\ & \Rightarrow & \underline{20,000} \end{array}$$

$$\begin{array}{lcl} 13) & \text{Net work cost} & = 2,00,000 \\ & \text{Office overhead} & = 40,000 \\ & \text{Selling overhead} & = 30,000 \\ & \text{Add: opening stock } \left. \begin{array}{l} \text{of finished goods} \end{array} \right\} & = 8,000 \\ & & \underline{\hspace{2cm}} \\ & & 2,78,000 \end{array}$$

$$\begin{array}{lcl} & \text{Less: closing stock of } \left. \begin{array}{l} \text{finished goods} \end{array} \right\} & = 10,000 \\ & & \underline{\hspace{2cm}} \\ & \text{Cost of good sold} & \Rightarrow \underline{2,68,000} \end{array}$$



7) Direct wages = 50,000
 Chargeable Expenses = 5,000
 op. stock of material = 10,000
 Raw material bought } = 60,000
 during the period }
 cartage inwards = 1,500
 1,26,500

Less: cl. stock = 20,000
 Raw material } 1,500
 returned to supplier } 21,500

Prime cost $\Rightarrow$ 1,05,000

9) Factory lighting = 10,000
 works managers salary = 22,000
 Indirect material = 9,000
 Foreman's salary = 13,000

Production overhead $\Rightarrow$ 54,000



(8)

--1--20--

10). Gross work cost = 25,000

add: opening stock of } = 5,000
WIP

less: closing stock of } = 7,000
WIP

Net work cost $\Rightarrow$ 23,000

11) Material = 60,000

Labour = 40,000

Direct expenses = 10,000

Prime cost = 1,10,000

Add: Factory overhead = 50,000

Op. Stock WIP = 10,000

less: cl. Stock WIP = 8,000

work cost $\Rightarrow$ 1,62,000



21)	Raw material consumed	= 80,000
	wages	= 20,000
	Prime cost	⇒ 1,00,000
	Add: work expenses	= 20,000
	(20,000 × 100%)	
	work cost	= 1,20,000
	Add: office overhead	= 30,000
	(1,20,000 × 25%)	
	cost of production	= 1,50,000
	Add: Selling overhead	= 12,000
	(1,50,000 × 10%)	
	cost of sales	⇒ 1,62,000



14)

Bad debts written off	= 10,000
Advertising	= 81,000
Selling Expenses	= 12,000
Salesmen's salaries	= 23,000
Selling & distribution overhead	= <u>1,26,000</u>

15)

Cost of sales	= 3,00,000
Profit 20% of sales	
	= $3,00,000 \times \frac{20}{80}$

Profit = 75,000

18)

Direct material	= 50,000
Direct wages	= <u>15,000</u>
Prime cost	65,000

Add: Factory expenses	= <u>5,000</u>
Work cost	70,000

Add: office expenses	= <u>1,000</u>
Cost of production	= 71,000

Add: Selling expenses	= <u>500</u>
-----------------------	--------------

Cost of sales	⇒ <u>71,500</u>
---------------	-----------------



(5)

--/--/20--

A) Direct material consumed

direct material	= 80,000
add: op. stock	= 8,000
customers duties on mater.	= 6,000
carriage inward	= <u>2,000</u>
	96,000

less: cost of material sold (due to unsuitability)	}	= 1000
material return to suppliers (defective material)		
sales of direct direct material scrap	}	= 1,000
cl. stock		
		= 10,000

 14 000

Direct material consumed $\Rightarrow$ 82 000



2A)

Raw material = 10,000

wages = 8,000

Direct expenses = 2,000

Prime cost = 20,000

Machine hour rate = 4000

(2000 x 2)

work cost 24,000

Fixed overhead = 2400

cost of production $\Rightarrow$ 26400

$$= \frac{26400}{1000} = 26.4$$

cost per unit = 26.4



(A) simple cost sheet:

---/---/20---

2)

opening stock raw material = 5,000

Direct wages = 25,000

purchases = 55,000

Prime cost = 85,000

Add: Factory overhead = 40,000

work cost = 1,25,000

Add: office and administrative = 20,000

overheads

1,45,000

Less: closing stock = 10,000

cost of production $\Rightarrow$ 1,35,000

= 1,35,000

20,000

cost per unit = 6.75.



10)	Material	=	10,000
	wages	=	5,000
	Direct expenses	=	<u>1,000</u>
	Prime cost	=	16,000
	Add: Factory overheads	=	<u>6,250</u> $(5,000 \times \frac{125}{100})$
	work cost	=	22,250
	Add: office overheads	=	<u>4,450</u> $(22,250 \times \frac{20}{100})$
	cost of production	=	26,700
	Add: profit	=	8,900
			<u> </u>
	Sales	=	<u>35,600</u>

$$= \frac{35,600}{100}$$

$$= 356$$



(4)

--/--/20--

3) Direct material consumed
Material purchased = 4,48,000
Add: Import duty = 38,000
Op. Stock of material = 1,62,000
Carriage on material = 40,000
6,88,000

Less: cl. stock = 1,46,000

Realisation from material scrap = 14,000
1,60,000
5,28,000

Direct material consumed = 5,28,000.



---/---/20---

15) Raw material consumed = 30,000

Labour = 60,000

Prime cost = 90,000

Add: work overheads = 60,000

(90,000 × 40%)

work cost = 150,000

Add: office overhead = 37500

(150,000 × 20%)

cost of production = 187500

Less: Sales (180 × 1200) = 216000

Profit = 28500

Cost per unit = $\frac{1,87,500}{180}$

= 1,041.67 per unit

Profit per unit = $\frac{28500}{180}$

= 158.33,,



---/---/20---

$$7) \quad \text{Direct material} = 10,000$$

$$\text{Direct wages} = 5,000$$

$$\text{Direct Expenses} = 1,000$$

$$\text{Prime cost} = 16,000$$

$$\text{Factory overheads} = 6,500$$

$$\text{work cost} = 22,500$$

$$\text{Administrative overheads} = 3,480$$

$$\text{cost of production} = 25,980$$

$$\text{profit} = 8,660 \quad 25,980 \times \frac{25}{75}$$

$$\text{Sales} = 34,640$$

$$\text{Selling price per unit} = \frac{34,640}{100}$$

$$\text{Selling price per unit} = 346.40$$



//20_/_

19) Direct materials = 10,000
 Direct Labour = 4,000
 Direct expenses = 500

Prime cost = 14,500

Add: Factory expenses = 1,500

work cost = 16,000

Add: Administrative } = 1,000
 expenses }

cost of production = 17,000

Add: selling expenses = 300

cost of sales = 17,300

less: Sales = 20,000

profit $\Rightarrow$ 2,700



(24)
Manufactured No. 2

1/20_

②. material	= 50,000
wages	= 70,000
Prime cost	= 120,000
Add: work cost $(120,000 \times 40\% / 60)$	= 80,000
Factory cost	= 2,00,000
Add: office cost $(2,00,000 \times 20\% / 80)$	= 50,000
cost of production	= 2,50,000
less: Sold (200×1500)	= 3,00,000
profit	= 50,000

$$\begin{aligned}\text{Total profit} &= \text{No. 1} + \text{No. 2 (profit)} \\ &= 91,000 + 50,000 \\ &= 1,41,000\end{aligned}$$

$$\text{cost per unit} = \frac{2,50,000}{200}$$

$$= 1250 \text{ per unit.}$$

b). op. raw material = 25000

Add: purchase raw material = 21900

carriage on purchase = 1100

48000

Less: cl. raw material = 26200

Raw material consumed $\Rightarrow$ 21800

Direct wages = 17200

Direct expenses = 1200

Prime cost $\Rightarrow$ 40200

Factory overheads = 8,300

Add: non-productive wages = 800

work cost $\Rightarrow$ 49300

Administrative overheads 3200

cost of production $\Rightarrow$ 52500

Selling overheads 4200

cost of sales $\Rightarrow$ 56700

Less: Sale of finished Goods = 72300

Profit $\Rightarrow$ 15600



(23)

manufactured no. 1 1 / 20

16)

① material = 20,000

wages = 40,000

prime cost = 60,000

Add: work cost $(60,000 \times 40\%) = 40,000$

Factory cost = 1,00,000

Add: office cost $(1,00,000 \times 20\%) = 25,000$

cost of production = 1,25,000

Less: Sold $(180 \times 1200) = 2,16,000$

Profit = 91,000

cost per unit = 1,25,000
180

= 694.44

13)	Raw material	= 9100
	Labour	= 4000
	Prime cost	= 13100
	Expenses	
Add:	Factory overhead	= 3200
	(4000 × 80%)	
	work cost	= 16300
Add:	office overheads	= 1630
	(16300 × 10%)	
	cost of production	= 17930
Add:	Selling and	= 20,000
	distribution (10,000 × 2p.u)	
	Cost of sales	= 37930
Add:	profit	= 9482.5
	(37930 × 20%)	
	Sales	= 47412.5

$$\text{Selling price per unit} = \frac{47412.5}{10,000}$$

$$= 4.74$$



Radios are ⁽²⁶⁾ manufactured
(2) units.

---/---/20---

Material

= 108680

Labour

= 62920

Prime cost

= 171600

Add: work overhead $(62920 \times \frac{89}{100})$

= 50336

work cost

= 221936

Add: office overhead $(221936 \times 15\%)$

= 33290.4

cost of production

= 255226.4

Less: Selling price (1000×286)

= 286000

profit

= 30773.6

Cost per unit
(profit)

= $\frac{30773.6}{286} = 107.6$

Cost of production = $\frac{255226}{286} = 892.4$

Total profit = oriented + mshar (profit)

= 14313 + 30773.6

= 45086.6 "



(21)

Other sums
15)

---/---/20---

Raw material consumed = 91000

Direct wages = 29000

Other direct expenses = 11000Prime cost $\Rightarrow$ 131000Add: Factory overheads = 23200
(29000 $\times$ 80%)

Work cost = 154200

Add: Office overheads = 15420
(154200 $\times$ 10%)

Cost of production = 169620

Add: Selling & distribution = 20,000
Expenses (10,000 $\times$ 2)

Cost of sales = 189620

Add: profit = 47405

(189620 $\times$ 20%)
80)

" Sales

= 237025

Selling price per unit:

$$= \frac{237025}{10,000} = 23.7025$$


$$\begin{array}{rcl}
 14) & \text{Material} & = 1320 \\
 & \text{wages} & = 750 \\
 & \text{Prime cost} & = 2070 \\
 & \text{Manufacturing expenses} & = 300 \\
 & (750 \times 40 \text{ paise} / 100) & \\
 & \text{work cost} & = 2370 \\
 & \text{Administrative expenses} & = 237 \\
 & (2370 \times 10\%) & \\
 & \text{Cost of production} & = 2607 \\
 & \text{Selling \& distribution} & = 540 \\
 & (7200 \times \frac{7.5}{100}) & \\
 & \text{Cost of sales} & = 3147 \\
 & \text{Less: Sales} & = 7200 \\
 & \text{profit} & = 4053
 \end{array}$$

$$\text{Selling price per unit} = \frac{3147}{1200} = 2.62$$

$$\text{profit per unit} = \frac{4053}{12000} = 3.38$$



(25)

Radios are manufactured 120
(1)
oriented

17)

Material	=	27300
Labour	=	15600
Prime cost	=	42900
Add: work overhead (12480 × 80%)	=	12480
work cost	=	55380
Add: office overhead (55380 × 15%)	=	8307
Cost of production	=	63687
Less		
Add: Selling price (1000 × 78)	=	78000
Profit	=	14313

$$\text{cost per unit} = \frac{14313}{78}$$

(profit)

$$= 183.5$$

$$\text{Cost of production} = \frac{63687}{78} = 816.5$$



(27)

Cost sheet.

---/---/20---

18) Direct material = 1,00,000

Direct wages = 25,000

Direct Expenses = 5,000

Prime cost = 1,30,000

Add: wages of foremen = 2,500

Electric power = 500

Factory Lighting = 1,500

Factory rent = 5,000

Work cost = 1,39,500

Add: office Lighting = 500

office rent = 2,500

Cost of production = 1,42,500

Add: Salaries to Salesmen = 1,250

Advertising = 1,250

Cost of sales = 1,45,000

Less: sales = 1,89,500

Profit / Loss = 44,500

--/--/20--

22) Material consumed = 6,000

wages paid = 9,000

Prime cost = 15,000

Add: work on cost = 4,500

(9,000 × 50%)

work cost = 19,500

Add: Office on cost = 3,900

(19,500 × 20%)

cost of production 23,400

Add: Selling on cost = 1,950

(19,500 × 10%)

cost of sales = 25,350

Add: profit = 5,070

(25,350 × 20%)

Sales ⇒ 30,420

(2)

___/___/20___

Postage Expenses	= 465	
Depreciation of furniture	= 160	
Administration overhead	=	<u>37945</u>
cost of production	→	222945
Add: Bad debts	= 440	
Carriage outward	= 1540	
Salesmen's Expenses	= 3400	
Advertising	= 500	
Selling & distribution overhead	=	<u>5880</u>
Total cost		<u>228825</u>

Total cost = 228825,,.



(11)

___/___/20___

cost of production

7,70,000

Add: Selling overhead;

Selling and distribution

= 20,000

cost of sales

⇒ 7,90,000

Less: Sales

= 8,00,000

profit

⇒ 10,000



(7)

__/__/20__

23) Material manufacture = 80,000
primary packing = 20,000
production Labour = 25,000
Direct Expenses = 2,000
Prime cost $\Rightarrow$ 127,000

Add: work overhead;

In the factory = 2,000
Depreciation factory = 4,000
Labour for factory } = 5,000
supervision }

Factory Expenses = 6,000

17,000

work cost $\Rightarrow$ 144,000

Add: office overheads;

office overhead = 1,000

office material = 4,000

office Depreciation = 3,000



SA) opening stock = 20,000
 purchase of raw material = 5,80,000

less: closing stock = 6,00,000
 = 25,000

(a) cost of material

Add: Productive wages

Prime cost

Add: works overheads }
 charges

(b) work cost

Add: Stock of finished = 5,000

office and General exp. = 70,000

Less: stock of finished (end) = 50,000

(c) Total cost

(d) = $\frac{86000}{390000} \times 100$

= 22.05%



(10)

---/---/20---

26). opening stock raw material = 2,00,000

Add: Material purchased = 5,00,000

7,00,000

Less: closing stock raw material = 1,80,000Material consumed = 5,20,000Add: Direct wages = 1,50,000Prime cost = 6,70,000

Add: work overhead:

Manufacturing expenses = 1,00,000

Add: opening WIP = 60,000

= 1,60,000

Less: closing WIP = 50,0001,10,000

work cost

7,80,000

Add: office overhead:

opening finished goods = 5,000

Less: closing finished goods = 15,00010,000

(A)

---/---/20---

Repair office building = 2500
 Depreciation office of buildings } = 6250

Office lighting = 2500

Office Stationery = 2500

Foremen's salary = 12500

Telephone rent = $\begin{matrix} 625 \\ 12500 \end{matrix}$

Consumer stores = 12500

Director fees = 6250

Postage = 1250

Administration overheads = 59375

Cost of production $\Rightarrow$ 796875

Add: Salesmen's salaries = 6250

Advertising = 6250

Travelling Expenses = 2500

Warehouse rent = 2500 17500

Cost of sales $\Rightarrow$ 814375

Less: Profit Sales 947500

Profit $\Rightarrow$ 133125



(3)

---/---/20---

21)

Direct wages = 1,50,000

Direct material = 5,00,000

Prime cost $\longrightarrow$ 6,50,000

Add: Work overhead;

Power = 2500

Factory rent = 25000

Repairs factory plant = 17500

Manager's Salary = 25000

Factory Lighting = 7500

Storekeeper Wages = 5000

Depreciation factory plant = 2500

Oil and water = 2500

Factory overheads = 87500

work cost $\longrightarrow$ 737500

Add: office and administration;

office rent = 12500



(b)

Add: Office & administrative
overheads;

//20_

Office rent & rates = 500

Salary office = 2500

Office other expenses = 900

Office = 2000

Depreciation office
furniture } = 100

6000

Cost of production $\longrightarrow$ 197700

Add: Selling & distribution;

Salary salesmen = 2000

Other selling expenses = 1000

Travelling expenses = 1100

Carriage outwards = 1000

Advertisement = 2000

Managing director = 6000

13100

Cost of sales $\longrightarrow$ 210800

Less: Sales

2,50,000

Net profit $\longrightarrow$ 39200



(5)

---/---/20---

22) opening stock of raw material = 25000

Purchase stock of raw material = 85000

carriage inwards = 5000

wages direct = 75000

other direct charges = 15000

205000

Less: closing stock of raw material = 40,000

Prime cost $\Rightarrow$ 1,65,000

Add: work overheads:

wages indirect = 10,000

Indirect consumption of material = 5,000

Factory rent & rates = 500

Depreciation plant = 1500

office factory expenses = 5700

managing director = 4000

26700

work cost $\Rightarrow$ 191700



(8)

___/___/20__

Office Salaries = 6,000

Office Expenses = 4,000

17,000

Cost of production

====> 161,000

Add: Selling and
distribution overheads;

Material Selling = 5,000

Secondary packing = 6,000

Dep. Distribution vans = 2,000

Salesmen's salaries = 8,000

Selling Expenses = 5,000

Distribution expenses = 2,000

28,000

Cost of sales

====> = 189,000

Selling price = $189,000 \times 20\%$

Profit = 37,800 „



(1)

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20) Raw material consumed = 70,000
 Carriage inwards = 2,000
 Direct wages = 85,000
 Prime cost $\longrightarrow$ 1,57,000

Add: Factory rent = 2,400

Indirect material = 560

Power = 4,600

Depreciation of Pla. & Mach. = 1,240

Factory manager = 18,000

Repairs Pla. & Mach. = 1,200

Factory overheads 28,000

work cost $\longrightarrow$ 1,85,000

Add: Legal expenses = 350

Printing & stationery = 620

Audit fees = 350

General manager } = 36,000
 Salary }

