

Job Costing

1. The cost incurred for 4 different jobs namely Job 1, Job 2, Job 3, Job 4 for the month of September 2009, by a manufacturing company are stated as follows.

Particulars	Job 1	Job 2	Job3	Job 4
Direct Material	90,000	1,00,000	1,20,000	1,40,000
Direct Wages	70,000	90,000	1,00,000	1,10,000
Direct Expenses	50,000	40,000	70,000	60,000

Factory overhead observed is 50% of prime cost and Administration overhead observed as 20%on Work cost. Calculate total cost for each job

Solution

Particulars	Job 1	Job 2	Job3	Job 4
Direct Material	90,000	1,00,000	1,20,000	1,40,000
Direct Wages	70,000	90,000	1,00,000	1,10,000
Direct Expenses	50,000	40,000	70,000	60,000
Prime Cost (DM+DW+DE)	2,10,000	2,30,000	2,90,000	3,10,000
Factory Overhead (50% on PC)	1,05,000	1,15,000	1,45,000	1,55,000
Work Cost (PC + Factory OH)	3,15,000	3,45,000	4,35,000	4,65,000
Administration overhead (20% on WC)	63,000	69,000	87,000	93,000
Total Cost (WC + Admin OH)	3,78,000	4,14,000	5,22,000	5,58,000

2. The cost incurred for 4 different jobs namely Job 1, Job 2, Job 3, Job 4 for the month of September 2009, by a manufacturing company are stated as follows.

(Factory OH = 40% of Prime Cost; Admin OH = 15% of Work Cost)

Particulars	Job 1	Job 2	Job3	Job 4
Direct Material	80,000	95,000	1,10,000	1,30,000
Direct Wages	60,000	85,000	1,00,000	1,20,000
Direct Expenses	40,000	30,000	50,000	60,000

Solution

Particulars	Job 1	Job 2	Job3	Job 4
Direct Material	80,000	95,000	1,10,000	1,30,000
Direct Wages	60,000	85,000	1,00,000	1,20,000
Direct Expenses	40,000	30,000	50,000	60,000
Prime Cost (DM+DW+DE)	180,000	210,000	260,000	310,000
Factory Overhead (40% of PC)	72,000	84,000	104,000	124,000
Work Cost (PC + Factory OH)	252,000	294,000	364,000	434,000
Administration Overhead (15% of WC)	37,800	44,100	54,600	65,100
Total Cost (WC + Admin OH)	289,800	338,100	418,600	499,100