



# SNS College of Technology

## Coimbatore - 35



23BAT605 FINANCIAL STATEMENT ANALYSIS  
Unit III – Cost Accounting

Topic: Guess?????



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Topic....

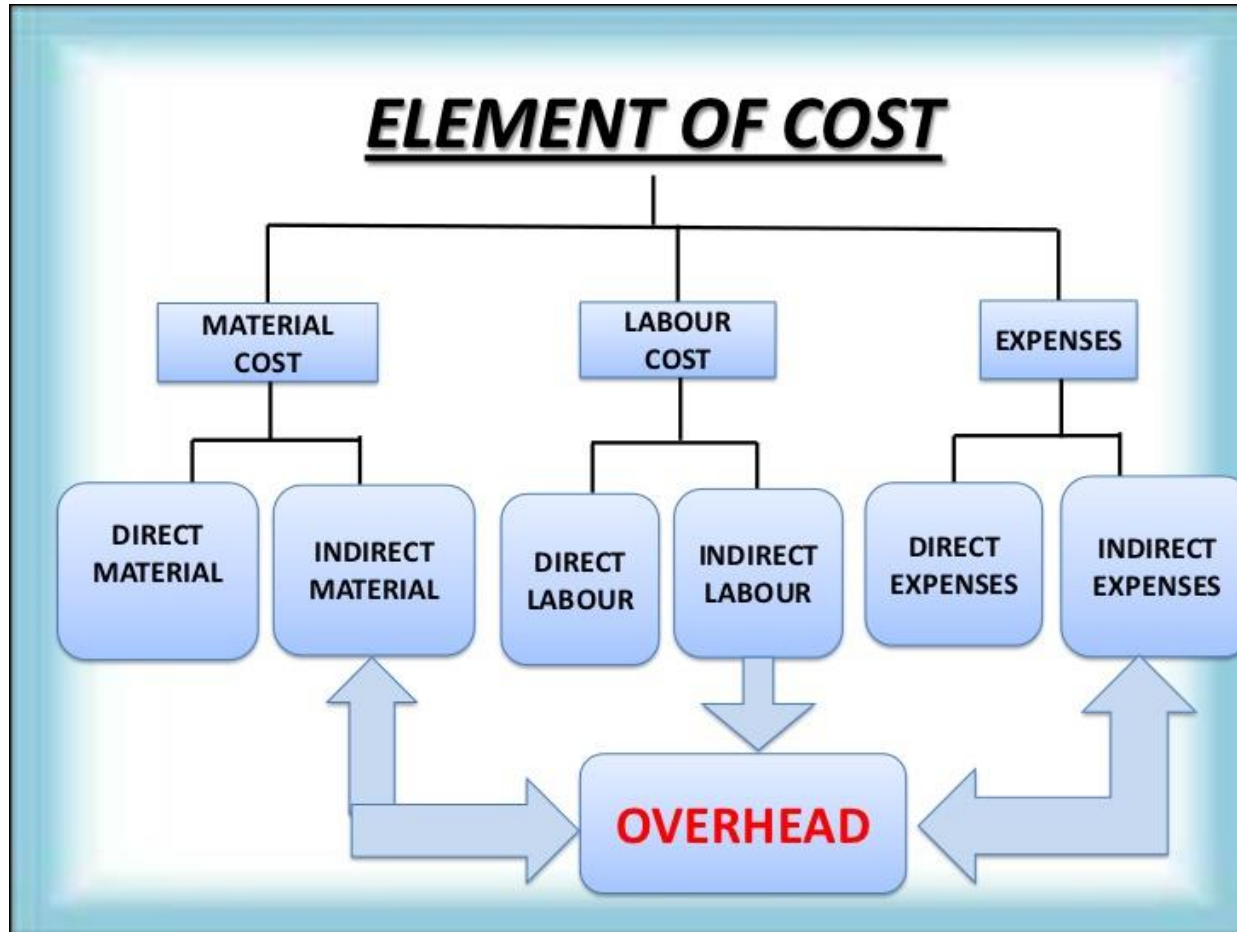






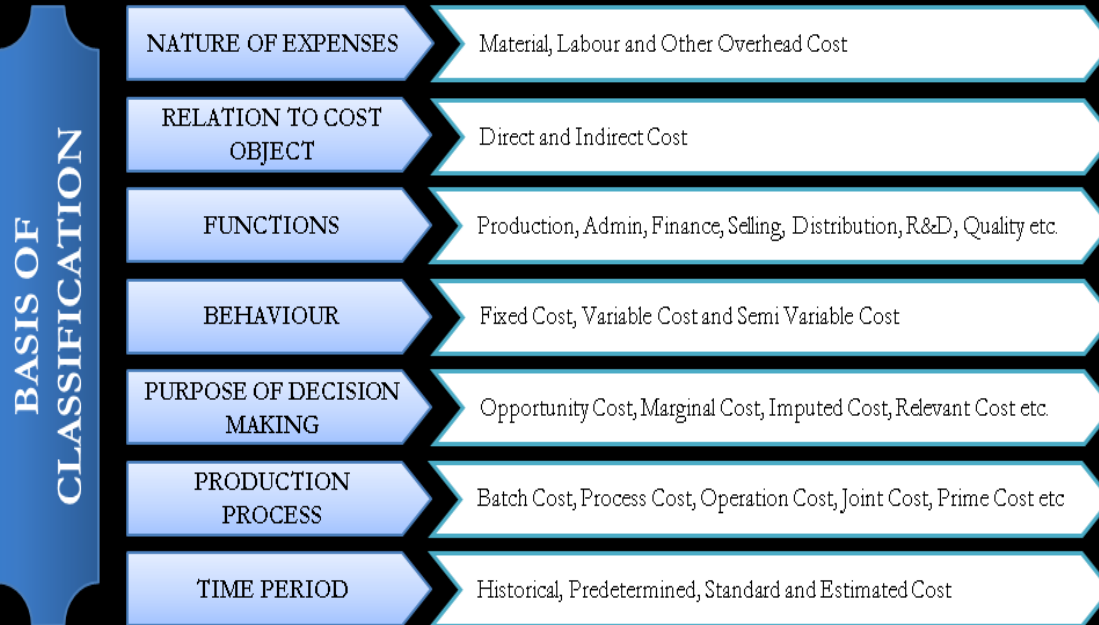
<i>Basis of Distinction</i>	<i>Costing</i>	<i>Cost Accounting</i>
1. Nature	It is a technique and process of ascertaining costs.	It is regarded as a specialised branch of accounting.
2. Scope	The costing techniques include principles and rules which govern the procedure of ascertaining the cost of products/services.	It involves classification, accumulation, assignment and control of costs.
3. Process	The process of costing consists of routines of ascertaining costs by historical or conventional costing, standard costing or marginal costing.	It involves establishment of budgets, standard costs or actual costs of operations, classification, recording and appropriate allocation of expenditure.







# TYPES OF COSTS



[eFinanceManagement.com](http://eFinanceManagement.com)





# Cost sheet proforma



		Period .....		
		Units Produced .....		
		Details	Total	Cost Per Unit
		Rs.	Rs.	Rs.
	Raw Materials (opening)	...		
<i>Add:</i>	Purchase of Raw Materials	...		
		...		
<i>Less:</i>	Returns Outward	...		
		...		
<i>Less:</i>	Abnormal Loss of Materials	...		
<i>Less:</i>	Raw Materials (closing)	...		
		...		

		Details	Total	Cost Per Unit
		Rs.	Rs.	Rs.
	Materials Consumed	...		
	Direct Wages	...		
	Direct Expenses	...		
	Carriage Inwards	...		
	Hire of Special Plant	...		
	Chargeable Expenses	...		
	<b>Prime Cost</b>		...	...
	<b>Indirect/Factory Expenses</b>			
	Indirect Wages	...		
	Factory Expenses	...		
	Factory Rent and Rates	...		
	Factory Lighting and Heating	...		
	Factory Fuel and Power	...		
	Indirect Materials	...		
	Repairs to Plant	...		
	Depreciation on Plant	...		
	Loose Tools	...		
		...		







Production on Hand	...	
Less: Sale of Scrap	...	
Add: Work-in-Progress (opening)	...	
Less: Work-in-Progress (closing)	...	
<b>Factory Cost/Works Cost/Production Cost</b>	...	...
<b>Office and Administrative Expenses/Overhead</b>		
Office Rent and Taxes	...	
Office Salary, Lighting, Insurance	...	
Establishment Charges, Postage	...	
Repairs, Legal Expenses, Audit Fees, Depreciation of Furniture	...	
Management Expenses	...	...
Cost of Production	...	...
Add: Finished Goods (opening)	...	

	Details	Total	Cost Per Unit
	Rs.	Rs.	Rs.
Less: Finished Goods (Closing)		...	
<b>Cost of Production of Goods Sold</b>		...	...
Selling and Distribution Expenses Overhead			
Godown Rent/Storage	...		
Advertisement/Carriage Outwards	...		
Selling Expenses and Commission, Showroom Rent	...		
Salesmen's Salaries, Debt. Collection Charges etc.	...		
Total Cost/Cost of Goods Sold		...	...
Profit (bal. fig.)		...	...
Sales		...	...





# Time for the assessment...



# Differentiate Fixed and Variable Cost.





# Summary

## Preparation of cost sheet





# References...



- <https://www.yourarticlelibrary.com/cost-accounting/cost-sheet/cost-sheet-meaning-objects-and-method-of-preparation-cost-accounting/74311>



Thank  
you





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