

## SNS College of Technology Coimbatore - 35



23BAT605 – FINANCIAL STATEMENT ANALYSIS Unit III – COST ACCOUNTING

Topic: Guess?????



**Presented by** 

Ms.S.Swarnam

Design Thinker









shutterstack.com + 1316152781

30.10.2023



## Topic....













	Rs.
Stock of Material on 1.1.88	6,720
Materials Purchased	1,50,000
Materials returned to suppliers	2,000
Direct Labour	50,000
Direct Expenses	20,000
Factory Expenses	15,300
Office & Administrative Expenses	8,000
Selling & Distribution Expenses	7,900
Stock of Materials on 31.12.88	7,720
Profit	10,000

30.10.2023

Ms.S.Swarnam AP / MBA - Introduction







- (a) Material Consumed
- (b) Prime Cost
- (c) Works Cost
- (d) Cost of Production
- (e) Total Cost and
- (f) Sales.





#### Statement of Cost for the year ended 31.12.88



Particulars	Rs.	Amount Rs.	Amount Rs.
Opening Stock of Materials		6,720	
Add: Purchases of Material	1,50,000	44-19 (SSA-1155)	12
Less: Materials returned of Suppliers	2,000	1,48,000	
181	4	1,54,720	
Less: Closing Stock of Materials	-	7,720	
RAW MATERIALS CONSUMED		1,47,000	
Direct Labour		50,000	
Direct Expenses		20,000	
PRIME COST			2,17,000
Factory Overhead			5-05-03-05-05-05-05-05-05-05-05-05-05-05-05-05-
Factory Expenses			15,300
WORKS COST		İ	2,32,300
Office & Administration Overhead			5 9 9
Office & Administration Expenses		1	8,000
COST OF PRODUCTION		1	2,40,300
Selling & Distribution Overhead			
Selling & Distribution Expenses		1	7,900
TOTAL COST/COST OF SALES		1	2,48,200
PROFIT			10,000
SALES	· W	1	2,58,200



PROBLEM 2

Closing stock of raw materials Purchase of raw materials Import duty paid on raw material purchased Carriage Inward Primary packing materials Productive wages Opening stock of work-in-progress at prime cost Closing stock of work-in-progress at prime cost Hire charge paid on plant

Opening stock of raw materials

Other chargeable expenses

#### Solution

g the	Prime	Cost
	g the	g the Prime

		Rs.	Rs.
	Opening Stock of raw materials	0	20,000
Add:	Purchase of raw materials	1,05,000	
Add:	Import duty	15,000	
	Carriage Inward	5,000	
	Primary packing materials	3,000	1,28,000
	5005	Heren and the second	1,48,000
Less:	Closing Stock of raw materials		30,000
	Raw materials consumed		1,18,000
Add:	Direct wages		95,000
Add:	Direct Expenses		
	Hire charges on plant	14,000	
	Other chargeable expenses	6,000	20,000
	3050 0052 05		2,33,000
Add:	Opening Stock of W.O.P. at prime cost		17,000
			2,50,000
Less:	Closing Stock of W.I.P. at prime cost	2303	10,000

30.10.2023



Rs. 20,000

30,000

1,05,000

15,000 5,000

3,000

95,000

17,000

10,000

14,000

6,000



7/15



#### PROBLEM 3



		10.
Opening stock of raw materials (1.8.97)	-	10,000
Raw materials purchased	-	80,000
Raw materials returned	-	5,000
Carriage Inward for raw materials purchased	-	4,000
Raw materials on 31.8.1997	-	6,000
Work-in-Progress at Prime Cost on 1.8.97	_	8,000
Work-in-Progress at Prime Cost on 31.8.97	-	4,000
Chargeable expenses		10,000
Productive Wages	-	40,000

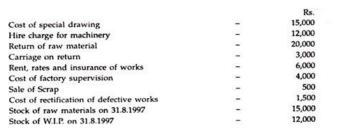
#### Solution

Statement showing the Prime Cost for the month of August 1997

	Opening Stock of raw materials	Rs.	Rs. 10,000
Add:	Purchase of raw materials	80,000	10,000
Less:	Return	5,000	
		75,000	
Add:	Carriage Inward	4,000	79,000
Less :	Stock of raw materials on 31.8.97		89,000 6,000
	Raw Materials Consumed	1 1	83,000
Add:	Productive Wages		40,000
Add: (	Chargeable Expenses		10,000
Add:	Opening Stock of W.I.P. at Prime Cost		1,33,000 8,000
Less :	Closing Stock of W.I.P. at Prime Cost		1,41,000
	PRIME COST		1,37,000



#### PROBLEM 4





#### Solution

Statement showing the Works Cost for the month of August 1997.

	Opening Stock of raw materials	Rs. 40,000 1,00,000	· Rs.
Add:	Purchase		
		1,40,000	
Add:	Carriage Inwards	10,000	
		1,50,000	
Less:	Return of raw materials	20,000	
		1,30,000	
Less:	Closing stock of raw materials	15,000	
	Raw materials consumed		1,15,000
Add:	Direct wages		60,000
Add:	Chargeable Expenses :		
	Cost of Special drawings	15,000	
	Hire charge of machinery	12,000	27,000
	PRIME COST		2,02,000
Add:	Factory Overheads		72
	Rent, rates and insurance of works	6,000	17
	Cost of factory supervision	4,000	
	Cost of rectification of defective works	1,500	
	Carriage on return	3,000	
		14,500	ľ
Add:	Opening Stock of W.I.P.	25,000	
		39,500	
Less :	Closing Stock of W.I.P.	12,000	
	985 ; 1910 4 <b>M</b> 4,437 9 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	27,500	
Less :	Sale of Scrap	500	
	and at a surp	- 500	27,000
		1	2,29,000







# Time for the assessment...









### Differentiate PRIME Cost and Cost of Sales.







## Summary

## **Preparation of cost sheet**







## References...



 https://www.yourarticlelibrary.com/costaccounting/cost-sheet/cost-sheet-meaning-objectsand-method-of-preparation-cost-accounting/74311















## **REACH US**





snsinstitutions



snsinstitutions



snsinstitutions



snsinstitutions



snsinstitutions