

Arts And Commerce
College, Vaduj.

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Bcom III Sem VI

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Sub: Account I.

Year: 2016-17

e.g
 The following expenses were incurred for a Job during the year ending 31 March 2015

Particulars	£
Direct Material	5000
Direct Wages	3000
Chargeable expenses	2000
factory overheads	3000
office & Administrative overheads	4000
Selling & Distribution expenses	3000
Selling Price of the about Job	25000

you are Required to prepare a statement showing the profit earned during the year 2015 & the Estimated Price of A Job which is to be expected in 2016 Direct material 8000, Direct wages 10,000 & chargeable exp £ 2000 The overheads are recorded as under

- factory overheads as a percentage of Direct wages
 - office exp as a percentage of factory Cost.
 - Selling & Distribution exp as a percentage of factory Cost.
- Prepare a Cost Sheet for the year 2015-2016.

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COST SHEET 2015

	Particular	₹	₹
	opening Stock of raw material		
Add	Purchase raw material		
Add	Carriage Inward		
less	Closing Stock of raw material		
Add	Direct wages	3000	
	Direct expenses	2000	
	Direct material	5000	
	Prime Cost		10,000
Add	factory overheads	3000	
	factory Cost or work Cost		13,000
Add	office overheads	4000	
	Cost of good Sold		17,000
Add	Selling and Distribution exp	3000	
	Cost of sale		20,000
	Net Profit		5000
	Sales		25,000

COST SHEET 2016

Particulars		₹	₹
	opening stock of raw material		
Add	Purchase of raw material		
Add	Carriage Inward		
less	Closing Stock of raw material		
Add	Direct wages	10,000	
	Direct exp	2000	
	Direct material	8000	
	Prime Cost		20,000
Add	factory exp or overates	10,000	
	factory cost or work cost		30,000
Add	office & administrative overates	9228	
	Cost of goods Sold		39228
Add	Selling and Distribution overates	6921	
	Cost of Sale		46149
	Net profit 25% of Cost of Sale		11537
	Sale		57686

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WORKING NOTE

a) factory overates as a percentage of Direct wages

$$\frac{\text{factory overates}}{\text{Direct wages}} \times 100$$

$$\frac{3000}{3000} \times 100 = 100$$

b) office exp x100
factory Cost

$$\frac{4000}{13000} \times 100 = 30.77$$

c) selling expences as percentage of factory Cost

$$\frac{\text{Selling exp}}{\text{factory Cost}} \times 100$$

$$\frac{3000}{13000} \times 100 = 23.07$$

Calculation of Profit Percentage

$$\frac{\text{Net Profit}}{\text{Cost of Sale}} \times 100$$

$$\frac{5000}{20,000} \times 100 = 25\%$$

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