

COST SHEET - Q3

1. (i) Computation of the value of materials purchased

To find out the value of materials purchased, reverse calculations from the given data can be presented as below:

Particulars	(Rs.)
Cost of goods sold	56,000
Add: Closing stock of finished goods	19,000
Less: Opening stock of finished goods	(17,600)
Cost of production	57,400
Add: Closing stock of work-in-progress	14,500
Less: Opening stock of work-in-progress	(10,500)
Works cost	61,400
Less: Factory overheads: [Rs.17,500 x100 / 175]	(10,000)
Prime cost	51,400
Less: Direct labour	(17,500)
Raw material consumed	33,900
Add: Closing stock of raw materials	10,600
Raw materials available	44,500
Less: Opening stock of raw materials	(8,000)
Value of materials purchased	36,500

(ii) Cost statement

Raw material consumed [Refer to statement (i) above]	33,900
Add: Direct labour cost	17,500
Prime cost	51,400
Add: Factory overheads	10,000
Works cost	61,400
Add: Opening work-in-progress	10,500
Less: Closing work-in-progress	(14,500)
Cost of production	57,400
Add: Opening stock of finished goods	17,600
Less: Closing stock of finished goods	(19,000)
Cost of goods sold	56,000
Add: General and administration expenses	2,500
Add: Selling expenses	3,500
Cost of sales	62,000
Profit (Balance figure Rs. 75,000 - Rs. 62,000)	13,000
Sales	75,000