

NUMERICAL Question solve

Q No 1.

In a Company works overhead are 60% of wages and office overheads are 20% of work cost. Following total expenditure were incurred:

Material	Rs.	1,00,000
Wages	Rs.	75,000
Work expenses	Rs.	49,000
Office expenses	Rs.	42,000

(10% of the cost of output is in the stock. Total sales was Rs. 2,55,000. Stock is valued in financial book at work sheet.)

⇒ Statement of Cost

Element of cost

materials	1,00,000
+ wages	75,000

(A) prime cost = 1,75,000

+
 Factory overhead (60% of wages) = 45,000

2,20,000

(B) Factory Cost

+ office overhead: 44,000
 (20% of factory cost)

(C) Cost of Production: 2,64,000
 (-) Closing Stock } 26,400
 10% cost of Production

(D) Cost of Sales = 2,37,600
 + Profit 17,400

(E) Sales = 2,55,000

(B) Statement of Profit & Loss Account

Particular Note. Figures as at the end of reporting period

(i) Revenue from Operations	2,55,000
(ii) other Income	—
(iii) Total Revenue of B II	<u>2,55,000</u>

Rough

$\frac{75000 \times 60}{100} = 45,000$

$= \frac{2,20,000 \times 20}{100} = 44,000$

$\frac{2,64,000 \times 10}{100} = 26,400$

(iv.) Expenses —

Material cost	=	1,00,000
(-) change in Inventory	=	- 22,400
		<hr/>
Employee benefit expenses		77,600
other expenses wages		75,000
work expenses		49,000
office expenses		42,500
		<hr/>
		2,44,100
Profit & Loss for the period		
<u>III</u> & <u>IV</u>	=	10,900
		<hr/>
		2,55,000

(c.) Reconciliation Statement :-

Profit as per cost A/c	=	17,400
+ office over head over charged in cost A/c	=	1500
44000 - 42500		
		<hr/>
		18,900
Less - Factory overhead under charged in cost	=	4000
49000 - 45000		
Less - Closing stock overvalued in cost	=	4000
		<hr/>
Profit as per financial A/c	=	10,900

Q No-2. From the following particulars prepare process account and abnormal effectiveness account :-

Material	5000 units
Cost of material used	Rs, 10,000
Other expenses	Rs, 6,000
wages	Rs, 10,000
Normal waste	5%
Sales of normal wastage	Rs. 5 P.U.
Actual Production	48,00 unit

(2) →

Process Account

Particulars	unit	Amount	Particulars	unit	Amount
To material consumed	5000	10000	By wastages	250	1250
To wages		10000	Balanced	4750	24750
Other expenses		6000			
	5000	26000		5000	26000
To balance B/d -	4750	24750	By cost of	4800	27355.26
Abnormal efficiency	50	2605.26	Production		
				4800	27355.26
	4800	27355.26			

Rs.
 26000
 1250
 24750
 24750 × 50
 4750 = 2605.26

Q No-13.

Prepare pig iron production A/c from the following information showing there in the cost per ton of each expenses and cost per ton iron produce:-

	opening stock Rs.	Purchase during the year Rs.	closing stock Rs.
coal	47,200	2,18,800	36,000
coke	35,800	2,94,700	20,500
Lime stone	14,500	5,080	15,500
Iron ore	39,300	1,86,900	36,200
Sandecies	27,000	78,100	30,100

(Total pig iron was produce 4,800 Tons. Sale of residue materials Rs. 1,05,000. General factory expenses Rs. 45,000 and wages Rs. 1,70,000)

→ Statement show materials consumed:-

	coke	coal	Lime stone	Iron ore	Sandecies
opening stock	3580	4720	1450	3930	2700
+ Purchas Material	29470	21880	5080	18690	7810
	33050	26600	6530	22620	10510
- closing stock	2050	3600	2050	1530	3010
material consumed:	31000	23000	5000	19000	7500

Pig Iron Production Account

Particulars	Cost per ton	Amount	Particulars	Cost per ton	Amount
To coal consumed	• 72	23000			
To coke consumed	• 97	31000			
To lime stone consumed	• 16	5000			
To Iron ore consumed	• 59	19000	By sale of slag	• 33	10500
To Sandstone consumed	• 23	7500	Cost Production	3.01	106500
ii wages	• 53	17000			96500
ii material expenses					
waste charge	• 14	4500			
	3.34	107000		3.34	107000