

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 =	<u>1,75,000</u>
+ Factory overhead (60% of wages)	45,000
	<u>2,20,000</u>
(B) Factory cost	
+ office overhead =	44,000
(20% of factory cost)	
(C) Cost of Production =	<u>2,64,000</u>
(-) Closing stock	26,400
10% cost of Production	
(D) Cost of Sales =	<u>2,37,600</u>
+ Profit	17,400
(E) Sales =	<u>2,55,000</u>

Rough

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

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

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

(B) Statement of Profit & Loss Account

Particular Note. Figures as at the end of reporting period

(i) Revenue from operation	2,55,000
(ii) Other Income	—
(iii) Total Revenue at 18 II	<u>2,55,000</u>

(P.T.O)

Expenses —

Material cost	=	1,00,000
(-) Change in Invention	=	- 22,400
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Employee benefit expenses		77,600
Other expenses wages		75,000
work expenses		49,000
office expenses		42,500
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		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 over valued in cost	=	4000
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Profit as per financial A/c	=	10,900