



	Qty	Cost
<b>Cost of Production</b>	200	2000
+ Opening FG	100	1000
- Closing FG	(50)	(500)
<b>Cost of Goods Sold</b>	250	2500

RM = Raw material

FORMAT OF COST SHEET.COST SHEET FOR THE PERIOD ENDED.

Particulars	Total	CU	
<u>Direct (Raw) material consumed</u>			
Opening stock of RM	x		
(+) Purchase of RM (Net)	x		
(+) Expenses on purchases	x		
(-) closing stock of RM	(x)		
(-) sale of scrap of material	(x)	x	
Direct Labour / wages	x	x	
Direct Expenses	x	x	
<b>Prime cost</b>	<b>x</b>	<b>x</b>	<b>Total Cost</b>
<u>Factory (work) OH</u>	<u>x</u>	<u>x</u>	<b>Qty Produced</b>
<b>Gross Factory / works cost</b>	<b>x</b>	<b>x</b>	
(+) opening stock of WIP	x	-	
(-) closing stock of WIP	x	-	
<b>Factory / works cost</b>	<b>x</b>	<b>x</b>	
Q : Quality control cost	x		
R : Research & Development	x		
A : Administration (related to prodn)	x		
P : Primary packing cost	x		
- scrap: sale of scrap during prodn	x	x	
<b>cost of production [CP]</b>	<b>x</b>	<b>x</b>	
(+) opening stock of FG	x	-	
(-) closing stock of FG	x	-	
<b>cost of goods sold [COGS]</b>	<b>x</b>	<b>x</b>	
General Office & Administration OH	x	x	
Selling & distribution OH	10000	x	
<b>Total cost / cost of sales [COS]</b>	<b>x</b>	<b>x</b>	<b>Total Cost</b>
+ Profit	x	x	<b>Qty Sold</b>
<b>Sales</b>	<b>x</b>	<b>x</b>	
		<b>Selling Price</b>	

### Factory OH

store & spares consumed

Canteen exp for factory

Indirect employee cost

Drawing & designing

Amortised cost of jigs, fixtures & tooling etc.

service dept cost : tool room, engineering & Pollution control.

### Admin OH (O&A)

Rent, Rates & Taxes

Printing & stationery

corporate office Exp

Directors sitting fees,

remuneration & commission, meeting exp.

### Quality Control

Salary: Lab staff for testing products

### Selling & Distribution

market research

maintenance of website for online sales

Packing for redistribution

of FG.

### Direct wages

wages to factory workers

Bonus to factory workers

Contribution to PF & ESIS

### Direct Expenses

• Royalty paid based on production.

• Power & fuel based on production.

• Job charges to job workers

• Amortised moulds & patterns.

Lease Rent, Hire charges

Depreciation, Insurance & Repairs & maintenance

FOH

Factory Building  
Plant & machine  
Pollution control  
Equipment

AOH

Office Building  
Directors Vehicles  
Directors laptop

S&D

Sales Office Building  
Delivery vehicles

(NOTE: Purchase of Assets should be ignored)

Salary paid to

FOH

Supervisor.  
Plant supervisor  
Factory store staff

AOH

manager  
Finance & accounts  
General manager  
Director  
Secretary

S&D

a) sales marketing  
manager  
b) sales staff

fees

a) Auditor  
b) Legal advisor  
c) Independent director.

Q R A P

Admin OH (Production)

Salary paid to production manager.

Packing

Primary

Q R A P

Packing

Secondary

S&D.



## \* NOTES FOR COST SHEET.

1. IF only "Administration OH" is given in the question then it is general administration OH which will come with S&D.

## 2. Cost per unit column:

a) IF details OF Fg quantity is given then only we can make this column.

b) Calculation OF CPU:

$$\text{Upto cost OF Production} = \frac{\text{Total cost}}{\text{Quantity Produced}}$$

$$\text{From cost OF Goods sold} = \frac{\text{Total cost}}{\text{Quantity sold}}$$

## 3. Valuation OF closing stock OF F.G.

Closing stock is valued at cost of production  
 Closing stock Qty  $\times$  Cost of Production per unit.

## 1. Direct Material

- opening stock of RM
- + Purchase of RM (Net of Returns)
- + Expenses at the time of purchase
- closing stock of RM
- sale of scrap of material

freight / carriage inward

Insurance attributable to procurement

Duties & Tax (only if credit non-available)

**NOTE:** Trade discount should be subtracted & not cash discount.

## 2. Direct labour

- (a) Wages and salary;
- (b) Allowances and incentives;
- (c) Payment for overtimes;
- (d) Bonus/ ex-gratia;
- (e) Employer's contribution to welfare funds such as Provident fund and other similar funds;
- (f) Other benefits (medical, leave with pay, free or subsidised food, leave travel concession and provisions for retirement benefits) etc.

## 3. Direct Expenses

- (a) Cost of utilities such as power & fuel, steam etc. (direct)
- (b) Royalty paid/ payable for production or provision of service;
- (c) Hire charges paid for hiring specific equipment; (like HEMM)
- (d) Fee for technical assistance and know-how;
- (e) Amortised cost of moulds, patterns, patents etc.;
- (f) Cost for product/ service specific design or drawing;
- (g) Cost of product/ service specific software;
- (h) Other expenses which are directly related with the production of goods or provision of service. **salary of Job workers.**

**4. Factory OH**

- (a) Consumable stores and spares;
- (b) Depreciation of plant and machinery, factory building etc.
- (c) Lease rent of production assets;
- (d) Repair and maintenance of plant and machinery, factory building etc.
- (e) Indirect employees cost related with production activities;
- (f) Drawing and Designing department cost;
- (g) Insurance of plant and machinery, factory building, stock of raw material & WIP etc.
- (h) Amortized cost of jigs, fixtures, tooling etc.
- (i) Service department cost such as Tool Room, Engineering & Maintenance, Pollution Control etc.

**5 .General Administration OH**

- (a) Depreciation and maintenance of, building, furniture etc. of corporate or general management.
- (b) Salary of administrative employees, accountants, directors, secretaries etc.
- (c) Rent, rates & taxes, insurance, lighting, office expenses etc.
- (d) Indirect materials- printing and stationery, office supplies etc.
- (e) Legal charges, audit fees, corporate office expenses like directors' sitting fees, remuneration and commission, meeting expenses etc.

**6. Selling & Distribution OH****Selling**

- (a) Salary and wages related with sales department and employees directly related with selling of goods.
- (b) Rent, depreciation, maintenance and other cost related with sales department.
- (c) Cost of advertisement, maintenance of website for online sales, market research etc.

**Distribution**

- (a) Salary and wages of employees engaged in distribution of goods.
- (b) Transportation and insurance costs related with distribution.
- (c) Depreciation, hire charges, maintenance and other operating costs related with distribution vehicles etc.