

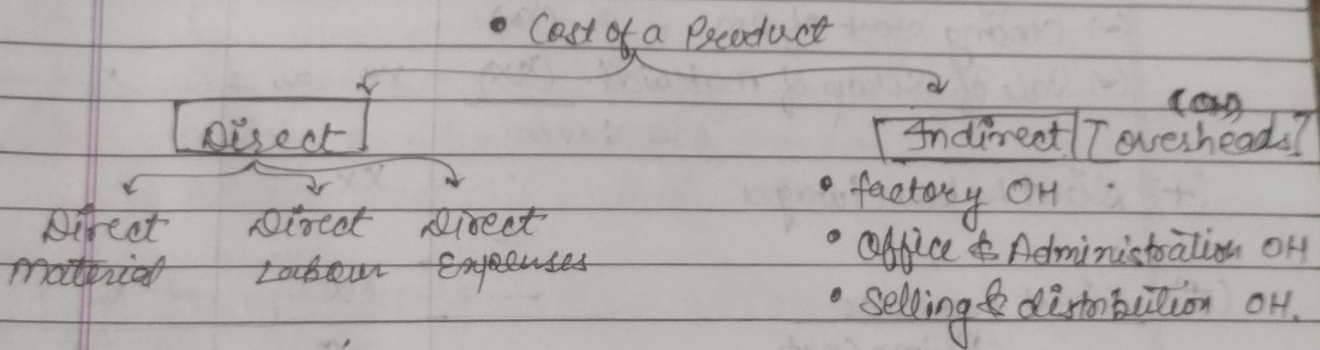
Day-1

11/11/11

Chapter - Cost sheet
Notes

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1. Costing - It is a technique to calculate cost of a product.
2. Cost of a Product -
 - Cost of a product means total of all expenses incurred from purchase consumption of raw material till finished goods is sold in the market.



* Notes for Cost sheet :-

• If only Administration OH is given in Q \rightarrow General Adm. - OH which will come with selling & distribution.

• CPU (Cost Per Unit) Column :-

(a) If details of Qoods Qty is given then only we can make this column.

(b) Calculation of CPU :-

• upto COP = $\frac{\text{Total Cost}}{\text{Qty Produced}}$

• from COGS = $\frac{\text{Total Cost}}{\text{Qty Sold}}$

manufacturing activities

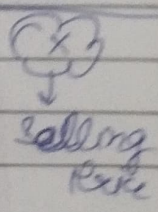
Cost sheet can be prepared for
 1. Job, 2. Job, 3. Job

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* Format of Cost Sheet

Cost Sheet for the period ended -----

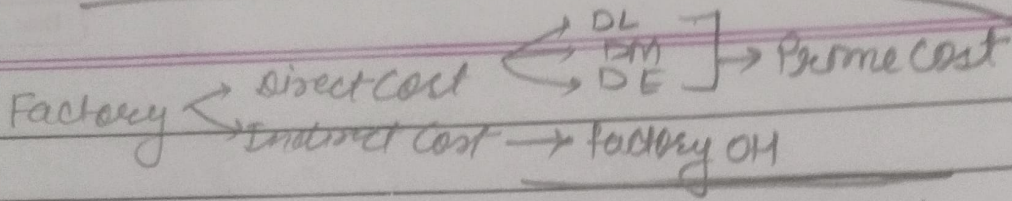
Particulars	Traded	CPU
Direct (Raw) material consumed		
opening stock of RM xx		
(+) Purchases of RM (Net) xx		
(+) Expenses on purchases xx		
(-) Closing stock of RM (xx)		
(-) Sale of Scrap of material. (xx)	xx	x
(+) Direct Labour / wages	xx	x
(+) Direct Expenses	xx	x
Prime Cost	xx	x
(+) Factory OH [work OH] (eg - rent, dep, supervisors salary)	xx	x
Gross factory / works cost	xx	x
(+) opening stock of WIP	xx	—
(-) closing stock of WIP	xx	—
factory / works cost	xx	x
Q: Quality Control Cost x		
R: Research & development x		
A: Administration (related to Prod ⁿ) x		
P: Primary Packing cost x		
(-) Scrap: Sale of Scrap during Prod ⁿ (x)	xx	x
Cost of Prod ⁿ (CO _P)	xx	x
(+) opening stock of FG	xx	—
(-) Closing stock of FG	xx	—
Cost of goods sold (COGS)		

(+) General office & administration OH	XX	XX
(+) Selling & distribution OH	XX	X
<u>Total Cost / Cost of sales (COS)</u>	XX	X
(+) Profit	XX	XX
<u>Sales</u>	XX	

3 valuation of closing stock of F.O.R :-
Closing stock is valued @ COP

$$ClSK = \text{closing Stk Qty} \times \text{COP per unit}$$

SUMMARY



Gross Factory Cost:

+	WIP op
-	WIP cl

$$C_{pu} = \frac{\text{Total Cost}}{\text{Qty Produced}}$$

- FC
- + Q → Quality
 - + R → Research & dev
 - + A → Administration
 - + P → Primary Packing
 - Scrap → Prod^m

}

Prod^m

COP

+	FG op
-	FG cl → cl Qty × COP pu

COS

+	office & admin
+	selling & dist

	Tc / cos
+	P

	Sale.

$$\frac{\text{Total Cost} = \text{COP}}{\text{Qty sold}}$$