Material Costing –

↳ detailed list of the standard Qualities and Quantities of Material and components required for producing a product.
Also known as Material list.

PREPARED BY
- ~~workers request~~
- Product development team / Engeenering or planning dept.

Concept 1

Valuation of Material.

└ सब कुछ काट पीट कर, हमारे पास finally कितने का पड़ा ~

1) Purchase cost
2) Trade discount less
3) Quantity discount less

~~Trade discount एक नहीं होता है, तो पहले से ही कम दाम वाला।~~

अगर Purchase cost में पहले से ही less है, तो नहीं करेंगे less.

4) Cash discount.
<No treatment>
5) Subsidies / Incentives / Grants.
└ less.
6) ~~Road ta~~ Road tax / Toll tax Add (if paid by buyer)
7) Indirect taxes → CGST / SGST / IGST

(जब paid tax वापस मिल जाएगा तो क्यू Add करें?) Credit Available → Not added in cost

Credit Not Available → Added in cost (तो हमारी जेब से ही जा रहा है।)

8) Basic Custom Duty — Added

9) Demurrage charges. — No treatment Because it is of abnormal nature.
(Delay of Transportation by buyer)

10) Detention charges / fine / Any other penalty. — No treatment / Not added in cost.

11) Insurance — added.
Q: How much insurance is added?
A: Amount that is paid by buyer.

Agar humne kuch Purchase kara Aur uski delivery pe Insurance karaya, fir badme koi Goods return kar dia to bhi charges (for insurance) fully added hoga, Insurance charges mein kuch addition subtraction nhi hoga.
Kyu? Kyoki Insurance humne transportation risk ke lie karaya tha, Aur Insurance company ne, wo risk cover kara Achese. To humne service to puri avail kari hai to paisa bhi pura jayega, Hence cost mein Bhi pura add hoga.

Hence, Even apart from Insurance, production ke alawa koi services avail kari hain or unka price buyer ne pay kiya hai to cost mein add hoga. Eg- Transportation charges.

12) Commission / Brokerage. — Added
13) Freight Inward — Added
14) Cost of Container

- Returnable
- Non-Returnable — Full Amount added in cost

Returnable

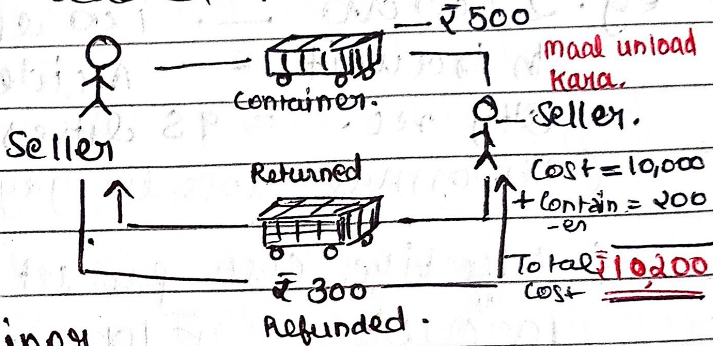
full amount Refunded

Nothing is added in cost

सब वापस हो गया, और सारा पैसा मिल गया, तो cost में Add नहीं करेंगे।

Partial Amount Refunded.

Balance amount not refunded will be added to cost.



Imp. Point - Return of container is different from rejection of container

Return
→ mal de dia
→ container wapas kar dia.
→ Sirf container ka paisa Refund hoga.

insurance or freight ka paisa nhi milega.

Rejection
→ Bina mal die Hi container wapas kar dia.
↳ Yaha
- Material ✓
- Taxes ✓
- Discount ✓

wapas milega

15) Shortage.

Normal loss
Good units will absorb the cost of loss units.
(naya cost nikala jayega).

Abnormal loss.
Charged to costing P/L account.

eg ₹ 100000 — 100 litre Oil.
In transit — 5%. Normal loss.
Qty rec. = 95 litres.
(Normally itna hi ata hai).

$\therefore \frac{100000}{100-5} = \frac{100000}{95\ lt} \Rightarrow$ ₹ 1052.63 / litre.

eg: ₹ 100000 — 100 litre oil.
In transit — Accident. 5 litre loss.
Qty rec. = 95 litres.
(Abnormal loss ho gaya)

∴ Effective cost per ltr:
$\frac{100000}{100-0} =$ ₹ 1000

95 l. — production
L 95 x 1000 ⇒ 95000.
charged to production
5 l. — abnormal loss
L 5 x 1000 = 5000
charged to ~~to~~ P/L.

extra

☆ Agar Payment lots mein ho rahi hai
To pure lot pe vohi cost lagegi
Jo us lot ki hai.