

**Chapter wise Test (1005)**  
**Cost Sheet**

Instructions

- All questions are compulsory.
- Test Duration will be 60 minutes, starting from 11:00 AM to 12:00 Noon
- 5 minutes reading time will be provided before 11, i.e. question paper will be shared by 10:55 AM.
- Share your scanned answer sheets (pdf format only) on below link <https://forms.gle/cvxbLhAtRCbZyTGyA>. Do not share on whatsapp.

1. [10 marks] Impact Ltd. provides you the following details of its expenditures for the year ended 31st March, 2021:

Particulars	Amount (₹)	Amount (₹)
Raw materials purchased		5,00,00,000
GST paid under Composition scheme		10,00,000
Freight inwards		5,20,600
Trade discounts received		10,00,000
Wages paid to factory workers		15,20,000
Contribution made towards employees' PF & ESIS		1,90,000
Production bonus paid to factory workers		1,50,000
Fee for technical assistance		1,12,000
Amount paid for power & fuel		2,62,000
Job charges paid to job workers		4,50,000
Stores and spares consumed		1,10,000
Depreciation on:		
Factory building	64,000	
Office building	46,000	
Plant & Machinery	86,000	1,96,000

Salary paid to supervisors		1,20,000
Repairs & Maintenance paid for:		
Plant & Machinery	58,000	
Sales office building	50,000	
Vehicles used by directors	20,600	1,28,600
Insurance premium paid for:		
Plant & Machinery	31,200	
Factory building	28,100	59,300
Expenses paid for quality control check activities		25,000
Research & development cost paid for improvement in production process		48,200
Expenses paid for administration of factory work		1,38,000
Salary paid to functional managers:		
Production control	4,80,000	
Finance & Accounts	9,60,000	
Sales & Marketing	12,00,000	26,40,000
Salary paid to General Manager		13,20,000
Packing cost paid for:		
Primary packing necessary to maintain quality	1,06,000	
For re-distribution of finished goods	1,12,000	2,18,000
Interest and finance charges paid (for usage of non- equity fund)		3,50,000
Fee paid to auditors		1,80,000
Fee paid to legal advisors		1,20,000
Fee paid to independent directors		2,40,000

Payment for maintenance of website for online sales		1,80,000
Performance bonus paid to sales staffs		2,40,000
Value of stock as on 1st April, 2020:		
Raw materials	9,00,000	
Work-in-process	4,00,000	
Finished goods	7,00,000	20,00,000
Value of stock as on 31st March, 2021:		
Raw materials	5,60,000	
Work-in-process	2,50,000	
Finished goods	11,90,000	20,00,000

Amount realized by selling of waste generated during manufacturing process – ₹ 66,000/-

From the above data, you are required to PREPARE Statement of cost of Impact Ltd. for the year ended 31st March, 2021, showing (i) Prime cost, (ii) Factory cost, (iii) Cost of Production, (iv) Cost of goods sold and (v) Cost of sales.

2. [10 Marks] DK Engineering manufactures two types of bus bearing type D and E. The company's records show the following particulars for those bearings for the month of May, 2021:

Particulars	Amount
Direct Materials	37,20,000
Direct labour	22,20,000
Production overheads	6,66,000
Office Overheads	6,60,600

There was no work-in-progress at the beginning or at the end of the month. It was ascertained that:

- Direct material cost per bearing for type 'D' was 150 percent of those for type 'E'
- Direct labour cost per bearing for type 'E' was 50 percent of those for type 'D'.
- Production overheads were absorbed on the basis of direct labour cost

- Office overheads were absorbed on the basis of factory cost.
- Selling and distribution overheads were ₹2 per bearing sold for each type
- Stock of finished bearing on 1st May, 2021 was 20,000 bearings @ ₹12 of type 'D' and 12,000 bearings @ ₹10 of type 'E'.
- Production during the month of May, 2021 was 2,88,000 bearings of type 'D' and 3,12,000 bearings of type 'E' and out of May's output 48,000 bearings of type 'D' and 14,000 bearings of type 'E' would be remains in stock on 31 May, 2021 which valued cost of production.

You are required to:

- a. Prepare a statement showing cost of production each type of bearings
- b. Prepare a statement showing the selling price at which the bearings would be marketed, if company desires @ 20 percent profit on selling price

3. [10 Marks] The following data relates to manufacturing of a standard product during the month of February, 2022:

Particulars	Amount (in ₹)
Stock of Raw material as on 01-02-2022	1,20,000
Work in Progress as on 01-02-2022	75,000
Purchase of Raw material	3,00,000
Carriage Inwards	30,000
Direct Wages	1,80,000
Cost of special drawing	45,000
Hire charges paid for Plant (Direct)	36,000
Return of Raw Material	60,000
Carriage on return	9,000
Expenses for participation in Industrial exhibition	12,000
Maintenance of office building	3,000
Salary to office staff	37,500
Legal charges	3,750
Depreciation on Delivery van	9,000
Warehousing charges	2,250
Stock of Raw material as on 28-02-2022	45,000
Stock of Work in Progress as on 28-02-2022	36,000

- a) Store overheads on materials are 10% of material consumed.
- b) Factory overheads are 20% of the Prime cost.
- c) 10% of the output was rejected and a sum of ₹ 7,500 was realized on sale of scrap.

- d) 10% of the finished product was found to be defective and the defective products were rectified at an additional expenditure which is equivalent to 20% of proportionate direct wages.
- e) The total output was 8,000 units during the month.

You are required to Prepare a Cost Sheet for the above period showing the:

- (i) Cost of Raw Material consumed.
- (ii) Prime Cost
- (iii) Work Cost
- (iv) Cost of Production
- (v) Cost of Sales