**Unit costing**

Q.1 Prepare cost sheet for the year 2017 and 2018.

Following information is of the year 2017 for production units 10000.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Amount** | **Per Unit** |
| Direct Material |  | 5 Rs. |
| Direct Wages |  | 4 Rs. |
| Direct Expense |  | 3 Rs. |
| Factory Expense  Fixed  Variable | 60000 | 3 Rs. |
| Administration Expense  Fixed | 80000 |  |
| Selling & Distribution Expense  Fixed  Variable | 50000 | 2 Rs. |

In the year 2018 production will be 15000 units. Direct material and wages increased by 10%. All other expenses will remain same. Profit will be 10% of cost of sales for both the years.

Q.2 Prepare cost sheet for the year 2017 and 2018.

Following information is of the year 2017 for production units 40000 at its 80% of production capacity.

|  |  |
| --- | --- |
| **Particulars** | **Amount** |
| Direct Material | 80000 |
| Direct Wages | 40000 |
| Direct Expense | 40000 |
| Factory Expense  Fixed  Variable | 40000  20000 |
| Administration Expense  Fixed | 60000 |
| Selling & Distribution Expense  Fixed  Variable | 10000  20000 |

In the year 2018 production will be at 100% capacity. Direct material and wages increased by 20%. All other variable expenses will increase by 10% and fixed expenses increased by 15% . Profit will be 20% of cost of sales for both the years.

Q.3 Prepare cost sheet for the year 2017 and 2018.

Following information is of the year 2017 for production units 1000.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Amount** | **Per Unit** |
| Direct Material |  | 80 Rs. |
| Direct Wages |  | 40 Rs. |
| Direct Expense |  | 30 Rs. |
| Factory Expense  Fixed  Variable | 500000 | 25 Rs. |
| Administration Expense  Fixed | 200000 |  |
| Selling & Distribution Expense  Fixed  Variable | 100000 | 20 Rs. |

In the year 2018 production will be 125000 units. Direct material and wages increased by 10 Rs. All other variable expenses will be increased by 5 Rs. And Fixed expenses will remain same. Profit will be 10% of cost of sales for both the years.

Q.4 Prepare cost sheet for the year 2017 and 2018.

Following information is of the year 2017 for production units 70000 at its 70% of production capacity.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Amount** | **Per Unit** |
| Direct Material |  | 8 Rs. |
| Direct Wages |  | 4 Rs. |
| Direct Expense |  | 3 Rs. |
| Factory Expense  Fixed  Variable | 40000 | 3 Rs. |
| Administration Expense  Fixed | 70000 |  |
| Selling & Distribution Expense  Fixed  Variable | 35000 | 2 Rs. |

In the year 2018 production will be at 100% capacity and sales will be 80% of production. Direct material and wages increased by 20%. Profit will be 20Rs. Per unit for both the years.

**Operating costing**

**Q-1:** ABC company is having 4 buses costing 12lakh each. Each bus runs 45 km everyday.

Manager’s salary- 20,000 p.m.

Driver’s salary -11,000 p.m.

Conductor’s salary- 6000 p.m.

Road tax- 2000 p.m.

Insurance- 16000 p.a. per bus

Garage rent-14000 p.m.

Petrol Cost- 14 rs. Per km

Repairs and maintenance - 2 rs. Per km

Life of bus is 12 years.

Calculate operating costing for march 2020.

**Q-2:** AB company is having 3 buses.

Each bus runs 25 km everyday one way & each bus has to go for 2 round trip everyday for 25 days in a month.

Cost of bus- 20 lakh

Life of bus- 10 years

Scrap value of bus- 2 lakh

Driver’s salary- 8000 p.m

Insurance premium- 10% of cost p.a.

Conductors’ salary- 4000 p.m

Licence fees- 6000 p.a. per bus

Fuel cost- 12 rs. Per km

Repairers cost- 0.2% of cost of bus.

Calculate operating costing.

**Q-3:** XYZ ltd. has a truck which is running 120 km everyday.

Drivers’ salary 15000 p.m

Repairs & maintenance 2 rs per km

Fuel cost 12 rs. Per km.

Annual fees 2400 rs.

Insurance premium 12000 rs p.a.

Garage rent 6000 rs. P.m.

Stationary 2000 rs. p.m.

Number of working days in a month is 25

Cost of truck is 12 lakh rs.

Scrap value is 1 lakh rs.

Life of vehicle is 11 years.

**Q-4:** Calculate km. Run by buses.

ABC pvt. Ltd. Is holding 4 buses. They have to run for 52 km one way and each bus has to run for 3 round trip for 26 days in a month.

**Job & batch costing**

Q-1: Calculate total cost for job 101.

Material 1500 rs.

Wages 1200 rs.

( 120 hours @ 10 rs per hour)

Variable factory overhead is 15000 rs. For 7500 hours.

Admin overhead is 10% of factory cost.

Q-2: Calculate total cost and selling price for job 102.

Material 500 rs.

Wages 800 rs.

( 160 hours @ 5 rs per hour)

Variable factory overhead is 5000 rs. For 2500 hours.

Admin overhead is 15% of factory cost.

Fixed overhead is 800 rs.

Rate of profit will be 20% of total cost.

Q-2: Calculate total cost and selling price for job 103.

Material 800 rs.

Wages 400 rs.

( 200 hours @ 2 rs per hour)

Variable factory overhead is 500 rs. For 500 hours.

Admin overhead is 12% of factory cost.

Fixed overhead is 300 rs.

Rate of profit will be 10% of total cost.

Q-4: Calculate cost of production for 50 units, 100 units, 250 units.

Following the data for production of 25 units.

Material 1250 rs.

Wages 1000 rs.

Variable overhead 800 rs.

Admin overhead 10% of factory cost

Fixed overhead is 2500 rs.