# B.COM III SEM V

SUB- COST ACCOUNTING

# STATEMENT OF COST
# For The Year Ending…….

| Particulars | | Total Cost | Per Unit |
|---|---|---|---|
| Add: Opening Stock of Materials | XXX | | |
| Materials Purchased | XXX | | |
| | XXX | | |
| Less: Closing Stock of Materials | XXX | | |
| | XXX | | |
| Add: Carriage Inwards | XXX | | |
| **(A) Material Consumed** | XXX | XXX | XXX |
| Productive Wages | | XXX | XXX |
| **(B) Prime Cost** | | XXX | XXX |
| Add: Works Oncost: | | | |
| Factory Rent And Taxes | XXX | | |
| Factory Insurance | XXX | | |
| | XXX | XXX | |

| Particulars | Total Cost | Per Unit |
|---|---|---|
| Add: Opening Work-In-Progress | XXX | + XXX |
| | XXX | XXX |
| Less: Closing Work-in-Progress | XXX | - XXX |
| **(C) Works Cost** | XXX | XXX |
| Add: Office Oncost | XXX | + XXX |
| **(D) Production Cost** | XXX | XXX |
| Add: Opening Stock of Finished Goods | XXX | XXX |
| | XXX | XXX |
| Less: Closing Stock of Finished Goods | XXX | - XXX |
| **(E) Cost Of Goods Sold** | XXX | XXX |
| Add: Sales And Distribution Expenses | XXX | XXX |
| | XXX | XXX |
| Add: Net Profit | XXX | XXX |
| **(F) Selling Price** | XXX | XXX |

# RECONCILIATION STATEMENT

| Particulars | Rupees | Rupees |
|---|---|---|
| **Profit As Per Cost Accounts** | | XXX |
| Add: (i) Over Recovery or Overcharge or Over Absorption | ----------- | |
| of Overheads in Cost Accounts: | | |
| 1) Factory Overheads | ----------- | |
| 2) Office Overheads | ----------- | |
| 3) Selling & Distribution Overheads | ----------- | XXX |
| ii) Overvaluation of Opening Stock in Cost Account: | | |
| 1) Raw Material | ----------- | |
| 2) Work-In-Progress | ----------- | |
| 3) Finished Goods | ----------- | |
| iii) Undervaluation of Closing Stock in Cost Accounts: | | |
| 1) Raw Material | | |
| 2) Work-In-Progress | | |
| 3) Finished Goods | | |

| Particulars | Rupees | Rupees |
|---|---|---|
| iv) Items of Income, Gains and Profits entered in Financial Accounts but not considered in Cost Account: | | |
| 1) Interest | ----------- | |
| 2) Rent | ----------- | |
| 3) Dividend | ----------- | XXX |
| v) Items of Expenditure and Losses shown in Cost Accounts but not shown in Financial Accounts. | ----------- | |
| vi) Depreciation Overcharged in Cost Accounts. | ----------- | XXX |
| | | XXXX |
| Less: i) Under-recovery or absorption of Overheads in cost accounts | ----------- | |
| ii) Undervaluation of Opening Stock Of Material, Work-In-Progress and Finished Goods in Cost Accounts. | ----------- | |
| iii) Overvaluation of Closing Stock of Raw Material, Work-In-Progress and Finished Goods in cost Accounts. | ----------- | |

| Particulars | Rupees | Rupees |
| --- | --- | --- |
| vi) Items of Expenditure Debited in Financial Accounts but Excluded in Cost Accounts. | ----------- | |
| v) Items or Income or Gains shown in Cost Accounts but not considered in financial accounts. | ----------- | XXX |
| vi) Depreciation Undercharged in Cost Accounts. | ----------- | XXX |
| **Profit as per Financial Accounts** | | XXXX |

# PROCESS - ACCOUNTS

| Particulars | Units | ₹ | Particular | Units | ₹ |
|---|---|---|---|---|---|
| To Opening Stock | ------- | ------ | By Normal Loss A/c | ------- | ------- |
| To Transfer from earlier Process | ------ | ------ | By Abnormal Loss A/c | ------- | ------- |
| | | | By By-Product A/c | ------- | ------- |
| To Material | ------- | ------ | By Transfer of Output to Stores | ------- | ------- |
| To Wages | ------- | ------ | | | |
| To Direct Expenses | ------- | ------ | By Transfer of Output to Next Process A/c | ------- | ------- |
| To Other Expenses | ------- | ------ | | ------- | ------- |
| To Abnormal Gain | ------- | ------ | By Closing Stock | ------- | ------- |

# BREAK EVEN POINT

## (I) Calculating Profit at Different Sales Volume

1) Profit = Sales – Variable Cost – Fixed Cost
2) Profit = Contribution Margin – Fixed Cost
3) Profit = Sales x Profit Volume Ratio – Fixed Cost
4) $$\text{Per Unit Contribution} = \frac{\text{Fixed Cost}}{\text{Break Even Point (Unit)}}$$
5) Per Unit Selling Price = Per Unit Contribution + Per Unit Variable Cost
6) $$\text{New Volume of Sales (In Units)} = \frac{\text{Fixed Cost + Profit}}{\text{New Selling Price (Per Unit) – Variable Cost (Per Unit)}}$$

7) Desired Sales (Per unit) = $\dfrac{\text{Fixed Cost + Desired Profit}}{\text{Selling Price per unit – Variable cost per unit}}$

8) Desired Sales (Per Unit) = $\dfrac{\text{Fixed Cost + Desired Profit}}{\text{Per unit Contribution}}$

9) Desired Sales = $\dfrac{\text{Total Fixed Cost + Desired Profit}}{1 - \dfrac{\text{Per unit Variable Cost}}{\text{Per Unit Selling Price}}}$

10) Desired Sales = $\dfrac{\text{Fixed Cost x Desired Profit}}{\text{Profit Volume Ratio}}$

11) Margin of Safety = Total Sales – Break Even Point

12) Margin of Safety = $\dfrac{\text{Profit x Sales}}{\text{Contribution}}$

13) Break Even Point (Rs.) = $\dfrac{\text{Fixed Cost}}{\text{Profit Volume Ratio (\%)}}$

13) Margin of Safety = $\dfrac{\text{Profit}}{\text{Profit Volume Ratio}}$

14) Contribution = Sales – Variable Cost

15) Contribution = Fixed Cost + Profit

16) Contribution = Fixed Cost – Loss

17) Sales = Variable Cost + Contribution

18) Variable Cost = Sales – Contribution

19) Contribution Ratio = $\dfrac{\text{Sales – Variable Cost x 100}}{\text{Sales}}$

20) Margin of Safety (Price) = Total Sales (Price) – Break Even Point Sales (Price)

21) Margin of Safety (Unit) =Actual Sales (Unit) – Break Even Point Sales (Unit)

22) Margin of Safety = $\dfrac{\text{Profit}}{\text{Profit Volume Ratio}}$

23) Profit Volume Ratio = $\dfrac{\text{Sales - Variable Cost}}{\text{Sales}}$

24) Profit Volume Ratio = $\frac{\text{Fixed Cost + Profit}}{\text{Sales}}$

25) Profit Volume Ratio = $\frac{\text{Contribution x 100}}{\text{Sales}}$

26) Profit Volume Ratio = $\frac{\text{Sales – Variable Cost x 100}}{\text{Sales}}$

27)Profit Volume Ratio = $\frac{\text{Fixed Cost + Profit}}{\text{Sales}}$

28) Break Even Point = $\frac{\text{Fixed Cost x Sales}}{\text{Contribution}}$

29) Break Even Point (Unit) = $\frac{\text{Fixed Cost (Unit)}}{\text{Per Unit Sales Price – Per Unit Variable Cost}}$

30) Break Even Point (Rs.) = $\frac{\text{Fixed Cost (Total)}}{1 - \frac{\text{Variable Cost (Per Unit)}}{\text{Sales Per Unit}}}$