

# COST SHEET

CS-1.

statement showing detailed break-up of total cost of a product and net profit from that product.  
 Presented in both total & per unit terms.

Particulars	Amt	P. v
Direct material consumed *	XX	x
(+) Direct labour [skilled + unskilled]	XX	x
(+) Direct expenses	XX	x
<i>Prime cost</i>	X	x
(+) Factory works OH [F + V COH] <sup>□</sup>	XX	x
<i>Gross factory cost</i>	X	x
(+) Opening WIP	XX	x
(-) Closing WIP	(XX)	(x)
<i>Net factory cost</i>	X	x
(+) admin OH	XX	x
<i>Cost of production</i>	X	x
(+) Opening FG stock	XX	x
<i>Cost of goods available for sale</i>	X	x
(-) Closing FG stock	(XX)	(x)
<i>Cost of goods sold (COGS)</i>	X	x
(+) selling & dist OH	XX	x
<i>Cost of sales</i>	X	x
(+) Profit	XX	x
<i>Sales</i>	X	x

Direct material consumed:

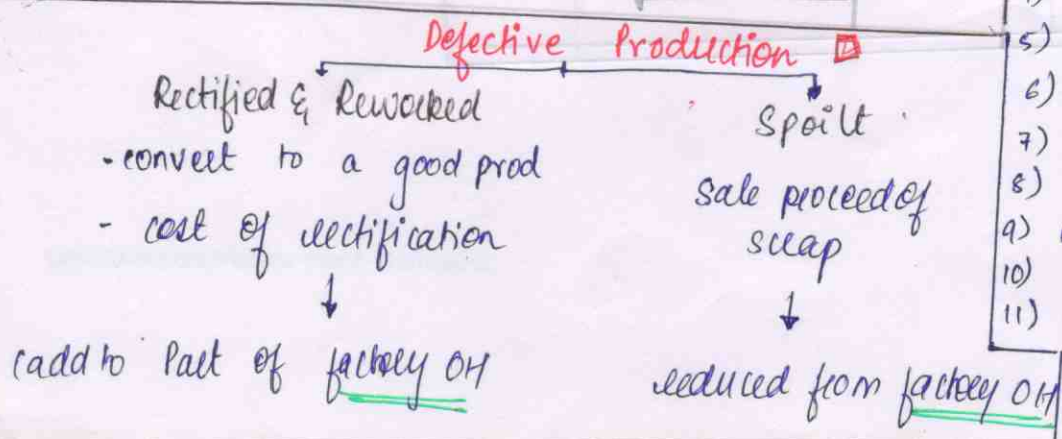
Op <sup>n</sup> stock of RM	X
(+) Purchase of RM (net of returns)	X
(+) Carriage inward*	X
(-) Cl. stk of RM	(X)
(-) Scrap of unprocessed / spoiled RM	(X)
= Direct mat consumed	<u>XX</u>

Sale proceeds - By Product

o must be reduced from gross factory cost

Net = sale proceeds - selling expenses for by product.

- Financial nature items to be excluded in costing:-
- 1) Interest cost *all these*
  - 2) Cash discount *X to come in cost sheet*
  - 3) Goodwill w/o
  - 4) Prov for bad debts *sheet*
  - 5) Preliminary exp w/o
  - 6) Tax Prov
  - 7) Donation
  - 8) Transfer & receive
  - 9) Dividends
  - 10) Profit/loss on sale of asset
  - 11) Penalty/damage payable



# Cost sheet in form of an Account

## PRODUCTION ACCOUNT

Particulars	Amt	Particulars	Amt
To Op <sup>n</sup> stk of RM	X	By cl. stk of RM	X
To Direct wages	X		
To Purchases of RM	X	By prime cost c/d	(XX)
To exp on purchases	X		
To prime cost b/d	X		
To indirect wages	X	By gross factory cost c/d	(XX)
To factory rent rates	X		
To depreciation	X		
To gross factory cost b/d	X	By cl. WIP	X
To Op <sup>n</sup> WIP	X	By net factory cost c/d	(XX)
To net factory cost b/d	X		
To admin exp	X	By COP c/d	(XX)
To COP c/d	X		
To Op <sup>n</sup> FG	X	By cl. FG	X
		By COGAFS	(XX)
To COGAFS	X	By cost of sales (COS)	(XX)
To carriage o/w	X		
To Adv	X		
To Trav. wages	X		
To COS b/d	X	By sales	X
To PROFIT	(XX)		