

Q.4 The following informations is available from the account books of the Alpha Ltd. for the year 2016. (15)

Direct Materials	-	800000 Rs.
Direct Wages	-	400000 Rs.
Factory overheads	-	400000 Rs. (60% variable)
Office overheads	-	250000 Rs. (20% variable)
Selling overheads	-	150000 Rs. (60% variable)
Sales (20000 units)	-	2500000 Rs.

**Estimate for the year 2017.**

- (1) Productions and Sales will increase by 25%.
- (2) Material cost will increase by Rs. 6 per unit.
- (3) Factory fixed overhead will increase by Rs. 40000
- (4) Selling variable expenses will increase by 1 Rs. per unit.
- (5) The rate of profit will be 20% on cost.

Prepare cost sheet for the year 2016 showing cost per unit and total cost and also prepare estimated cost sheet for the year 2017.

**OR**

Q.4 The following figures are available from financial accounts of RK Company for the year ended 31st March 2017. (15)

1. Sales (80000 units) - 800000 Rs.
2. Closing stock : Finished stock (20000 units) 70000 Rs.
3. Direct material consumption 175000 Rs.
4. Direct wages 75000 Rs.
5. Factory overhead expenses 100000 Rs.
6. Administrative expenses 300000 Rs.
7. Selling & distribution expenses 90000 Rs.
8. Interest on debentures paid 12000 Rs.
9. Income tax paid 6000 Rs.
10. Legal expenses 4000 Rs.
11. Profit from shares shatta 28000 Rs.
12. Interest received on deposit 6000 Rs.

The cost of accounts reveals:

Direct Material consumption - 190000 Rs.

Factory overhead 25% on prime cost.

Administrative expenses Rs. 3 per unit of production.

Selling & distribution expenses Rs 5 per unit.

**Prepare:**

- (1) Cost Sheet
- (2) Profit and Loss Account
- (3) Statement reconciling the profit and loss disclosed by the cost-sheet and profit and loss account.