

COST SHEET

Definition

- A document that reflects the cost of the items and services required by a particular project or department for the performance of its business purposes.

EXAMPLE

- For a departmental cost sheet might include the material costs, labor costs and overhead costs incurred over a given time frame by a department and it therefore provides a record of costs that are chargeable to that department.

The Meaning of Cost Sheet

- Cost sheet is a statement of cost. In other words, when costing information are set out in the form of a statement, it is called cost sheet.
- It is usually adopted when there is only one product is produced and all costs are incurred for that product only.
- Cost sheet may be prepared for a week, monthly, quarterly or yearly indicating various components of cost as prime cost, works cost, cost of production, cost of goods sold, total cost and also profitability on a production.
- The preparation of cost sheet depends on the cost data provided by cost accounting.

Due to differences in the nature of cost data there are three different cost sheet Performa may be used.

(a) Cost sheet with break up cost:

These types of cost sheet contains two column as total cost, cost per unit of out put. A specimen of cost sheet with imaginary figure.

(b) Cost Sheet with treatment of Stock:

This type of cost sheet is maintained in case of manufacturing concern. Generally there are three types of stock as

- (1) Stock of Raw material,
- (2) Stock of work in progress and
- (3) Stock of finished goods.

(c) Estimated cost sheet or price quotation:

Price quotation means quoting the minimum price for obtaining a specific order. The quotation is send in the form or estimated cost sheet having one column. In estimated cost sheet all elements of cost and overhead expenses are calculated in the following manner.

- Estimated direct material
- Estimated labor cost
- Estimated overheads.

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Cost Sheet(for)

(Output)

Particulars	Total Cost Rs.	Cost Per Unit Rs.
Direct Material		
Direct Labour		
Direct Expenses	-----
(a) Prime Cost	--
Factory Overheads
(b) Works Cost		...
Office Overheads
(c) Cost of Production		...
Selling and Distribution Expenses
(d) Total Cost		

ELEMENTS OF COST SHEET

- Cost of production.
- Material consumed.
- Direct wages & salaries.
- Direct expenses.
- Work overhead.
- Administration overhead.
- Selling overhead.
- Distribution overhead.

Specimen 3 : Cost Sheet (detailed)

<i>Particulars</i>	<i>Cost Per ton</i>	<i>Total Cost</i>
	₹.	₹.
Material Consumed		
Raw Materials on 1st April (opening)		
Add: Purchases during the period		
Add: Carriage Inward		
Less: Raw Materials on 31st March (closing)		
Direct Wages		
Direct or Chargeable Expenses		
(A) Prime Cost		
Works or Factory on cost :		
Indirect wages		
Depreciation on Machines etc.		
Depreciation of Factory Buildings.		
Repairs to Machines, Building etc.		
Fuel Electric Power etc.		
(B) Gross Works Cost		
Add: Work-in-progress (opening)		
Less: Work-in-progress (closing)		
Less: Sale of Scrap etc.		
(C) Works or Factory Cost		
Office on cost:		
Office Salaries		
Office rent		
Depreciation of Office Building and Furniture etc.		
Repairs to Office Building, Furniture etc.		
General Expenses etc.		
(D) Total Cost of Production		
Add: Stock of Finished Goods on 1st April (Opening)		
Less: Stock of Finished Goods on 31st March (Closing)		
(E) Cost of Goods Sold		
Selling and Distribution Expenses		
(F) Cost of Sales		
Profit		
Selling Price		

(a) Calculation of Relative Percentage of Various Expenses

(i) Percentage of Works On Cost with Direct Materials

$$\frac{\text{Works overheads or Works on cost}}{\text{Direct Materials}} \times 100$$

(ii) Percentage of Works on Cost with Direct Wages.

$$\frac{\text{Works overheads or Works on cost}}{\text{Direct Wages}} \times 100$$

(iii) Percentage of Works on cost with Prime Cost.

$$\frac{\text{Works overheads or Works on cost}}{\text{Prime cost}} \times 100$$