

**Solution of
Cost & Management Accounting (MGT402)”
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Question 1 Answer

Total Factory Cost

Add/Less	Particulars	Amount
	Opening Raw Material	19000
Add	Purchases	75000
	Material Available for Use	94000
Less	Closing Raw Material	21000
	Material Consumed	73000
Add	Direct Labour	31000
	Prime Cost	104000
Add	FOH	43400
	Total Factory Cost	147400

Question 2 Answer:

Closing inventory of finished goods

No of Units Manufactures= Units Sold + Closing Finished Units – Opening Finished Units
No of Units Manufactures= 26300 + 3700 – 4400
No of Units Manufactures=25600 units

Per unit Cost of Goods Manufactured = Cost of Goods Manufactured / No of Units Manufactures

Per unit Cost of Goods Manufactured =148500/25600
Per unit Cost of Goods Manufactured =5.8

Closing Finished Goods Inventory= Closing Finished Units * Cost per unit
Closing Finished Goods Inventory=3700*5.8

Closing Finished Goods Inventory=21463

Question 3 Answer:

Azhar Corporations
Cost of Goods Sold Statement
Ast on 31, 10 2010

Add/Less	Particulars	Amount
	Opening Raw Material	19000
Add	Purchases	75000
	Material Available for Use	94000
Less	Closing Raw Material	21000
	Material Consumed	73000
Add	Direct Labour	31000
	Prime Cost	104000
Add	FOH	43400
	Total Factory Cost	147400
Add	WIP opening	21000
	Cost of Goods Available for Manufacturing	168400
Less	Closing WIP	19900
	Cost of Goods Manufactured	148500
Add	Opening Finished Goods	13100
	Cost of Goods Available for sale	161600
Less	Closing Finished Goods	21463
	Cost of Goods Sold	140137

Question no 4 Answer

Gross Profit & Net Profit

Azhar Corporation
Income Statement
As on xx/xx/xxxx

	Particulars	Ammount
	Sales	184100
Less	Cost of Goods Sold	140137
	Gross Profit	43963
Less	Opearating Expenses	23450
	Net Profit	20513

I T's NOT UP TO ME ANY MORE,
IF YOU *WANT* ME IN YOUR
LIFE, YOU 'LL FIND A WAY,
TO *PUT* ME THERE.....

FAHAD YUSHA (Araien)

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