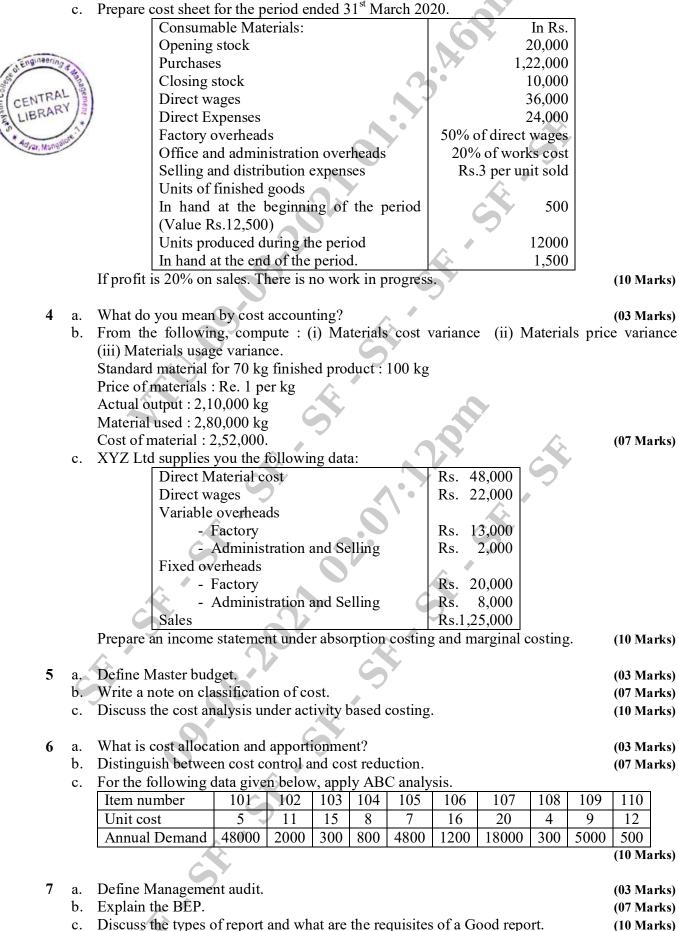


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Prepare cost sheet for the period ended 31st March 2020.



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8 <u>Case Study</u> :

In a factory XYZ, the following information is extracted for the period.

Particulars	Production Dept		Service Dept.	
	A	В	Х	Y
Direct Material	3700	7400	200	700
Direct Wages	1850	3700	100	350
Direct expenses	11250	22500	50	175
Indirect Materials	6160	12320	100	350
Indirect wages	3090	6110	50	175
Asset value	37000	74000	2000	7000
No. of workers	37	74	2	7
HP hours	74	148	4	14
Light points	37	74	2	7
Floor area	185	370	10	35
No. of working hours	4000	8000		

The details of indirect expenses for the period are as under:

	······································		
	Staff Welfare expenses	3600	
4	Supervision expenses	3600	
	Power	7200	
	Lighting	3600	
	Employees Insurance (Direct wages)	600	Y A
	Stores overhead	120	
	Depreciation	7200	
	Insurance (asset)	600	
	Rent and Rates	600	
	Repairs (Building)	2400	
	General overhead	480	
			-

The expenses service department X and Y apportioned as under:

		А	В	Х	Y
G	X	25%	50%		25%
	Y	25%	50%	25%	
			A		

You are required to prepare statement showing :

(i) Apportion of overhead

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- (ii) The distribution of service departments overheads by methods of
 - Continuous distribution
 - Algebraic equation
- (iii) Overheads distribution summary and rates of overheads absorption.

(20 Marks)

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