NAME: ZEESHAN ALI SAIF

PAPER: ORGANISATION BEHAVIOUR

ID: 15299

SUBMITTED TO: Sir Quaid Iqbal

DATE 27 April 2020

BBA 4TH SEMESTER

Question 1:

**Inventory:**

Is a quantity of goods owned and stored by a business that is intended either for resale or as raw materials and components used in producing goods that the business sells. For **example** motherboards warehoused at a computer company to be used in the assembling of its computer systems are **inventory**.

QUESTION: 2

PLANNING:

Planning is the primary function of all businesses. It is the first step on deciding what to do, how, where and when a specific work has to be done and complete a task successfully. Planning is important to process a project and get the expected result in an allocated time and budget.

Few points that describe why planning is essential for any organization:

* It assists the management and employees to enhance future production.
* With planning, it reduces the risk and unpredictability in the future.
* It gives structure to the workflow of business and avoids overlapping of activities and eradicates unfruitful work.
* Provides direction to the employees work.
* It distinguishes and recognizes future possibilities and threats.

CONTROLLING:

Controlling is the main goal and responsibilities of all management in any enterprises. It is used to compare the factual performance with the standard of the company, and to make sure that the activities are performed according to the plan. Few features of Controlling are:

* It helps to achieve an organization’s goal
* Overview utilization of resources
* Estimates accuracy of the standard
* Place order and discipline
* The correctness of future planning
* Reduces error

QUESTION 3

Estimated overhead:

Is budgeted at the beginning of the year and used to calculate the predetermined overhead rate.

Applied factory head:

Applied factory overhead the amount that is added to jobs as work is completed. This is done during the year as work is completed using the predetermined overhead rate and actual activity.

QUESTION 4:

**COST OF GOOD SOLD STATEMENT**

**DESCRIPTION AMOUNT ($) NOTES**

**DIRECT METERIAL**

Beginning raw materials 8,000

Purchases 36,000

**Total raw materials available for**  **Production**. **44,000** (opening stock of raw materials is added with the purchases

Made during the period to get raw materials available for production

Ending raw materials 8,000

**Raw material’s used in**

**Production 36,000 (**when we deduct the end stock of raw material from to Available for

Productions it gives us raw materials consumed production during the

Period.)

Direct labor 15000

Applied factory overhead 10,000 (it’s to be noted here that we include applied overhead in the

Calculation of CGS rather than actual at year end, the

Difference between applied and actual is adjusted.)

**Total manufacture cost 61,000 (total manufacturing** cost is the sum of the direct materials direct

Labors, and manufacturing overhead)

Beginning work in process 8000

Ending work in process 15,000

**Cost of goods manufactured 54,000 (**to get the cost of goods manufacture during the period

Add beginning work in process to total manufacturing

Cost and deduct the ending work in process.)

**Cost of goods sold**

Beginning finished goods 7,000

Add: cost of good manufactured 54,000

**Goods available for sale 61,000 (**when we add the beginning finished goods with the cost of goods

Manufactured during the period we get the good available for

Sale).

Ending finished goods 10,200

**Cost of goods sold 50,800 (**simply deduct the ending inventory of finished goods available

For sale to calculate the cost of goods sold for the period)

**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***

**Ruthven Company**

**Income statement**

**For the period ended May**

**---------------------------------------------------------------------------------------------------------------------**

Items Amount ($) Notes

Sales 72,000

Cost of goods sold 50,800(The figure taken from the CGS statement)

**Gross profit 21,200 (**Gross profit is the profit that company s make

After accounting for product cost)

Marketing expenses 3,600 (calculate as 5% of sale)

Admin expenses 720 (calculated as 1%of sales)

Other expenses 3,600 (calculated as 5%of sales)

Operating profit **13,280**  (O.P also known as EBIT is the earnings company is left

With after paying for manufacturing cost (product cost)

And operating activities (period cost)

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*