

Module Leader: Quaid Iqbal Module: Cost Accounting

Spring Semester 2020

Online Assignment (30 Marks)

Instructions: These questions should be solved and submitted in MS World format

Best Of Luck

Q1: What is inventory ? (3 marks)

Q2: What is difference between Planning and Control ? (3 marks)

Q3: what is difference between estimated factory overhead and applied factory overhead ? (4 marks)

Q4: The accounting department of the Ruthven Company provided the following data for may:

Sales: \$72,000

Marketing Expenses: 5%

Administrative expenses: 1%

Other Expenses: 5%

All of sales.

Purchases \$36,000

Factory Overhead: 2/3 of the direct labour

Direct labour: \$15,000

| Beginning Inventories | | Ending Inventories | |
|-----------------------|---------|--------------------|----------|
| Finished goods | \$7,000 | Finished goods | \$10,200 |
| Work In Process | \$8,000 | Work In Process | \$15,000 |
| Materials | \$8,000 | Materials | \$8,000 |

Required:

- i. Cost of goods sold statement
- ii. Income statement

Important:

Write a complete note, how you have solved this problem. Furthermore elaborate every heading which is used in cost of goods sold statement.