# **Cost of Goods Sold Problems (1-3)**

**Problem #1:** These data relate to Zakar Co.'s July 2017 operations:

Materials, Beginning R	Rs. 7,000	Materials, Ending Rs.	9,000
WIP, Beginning	7,500	WIP, Ending	3,500
Finished goods, Beginning	10,000	Finished goods, Ending	12,000
Materials used	46,800	Direct Expenses	400
Selling and general expenses	6,700	Direct Labor	8,000

Factory overhead is applied at the rate of 80% of direct labor cost.

### **Requirement:**

Cost of materials purchased, Cost of goods manufactured, Cost of goods sold and Conversion Cost.

## **Zakar Company**

Cost of Goods Sold Statement

For the Ended July, 2017

**Conversion Cost** =

<b>Problem # 2:</b> Following are data I	Extracted from Ahmad	dullah Pvt. Ltd. at the end of Dec	ember 31 <sup>st</sup> , 2017.
Sales Rs	. 14,000,500	Sales Return	Rs. 25,200
Purchases (Net)	2,400,000	Transportation inward	32,000
Direct Labor	3,204,000	FOH (Total)	
Sales Salaries	200,000	Advertising Expense	
Delivery Expense	65,000		
During the year 25,000 units were	completed.		
Inventories	December	r, 2017	January, 2017
Finished Goods	Rs. 467,	400	Rs. 620,000
Work in Process		800	129,800
Materials	196,0	000	176,000
Requirements:			
(1) Total Factory Cost	<b>(2)</b> Cost of	f Goods Manufactured	(3) Cost of Goods Sold
(4) Gross Profit and Net Profit	( <b>5</b> ) Per Un	it Cost of Goods Manufactured	
	Ahmo	dullah Pvt. Ltd.	
		oods Sold Statement	
	_	aded December, 2017	
	101 the Li	ueu December, 2017	
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Gross Profit =			
Net Profit =			

 $\label{eq:per_post} \textbf{Per unit Cost of goods manufactured} =$ 

**Problem # 3:** Account Department of the Aqib Khan Co. provides the following data at end of June 2017, you are required to prepare Cost of Goods Manufactured; Cost of Goods Sold; find out Gross Profit / Loss & Net profit / Loss and Per unit Manufacturing Cost at the Year ended May 30<sup>th</sup>, 2009, assuming that Net Sales of Rs. 72,000, Marketing Expense 5%, Advertising Expense 1 % and Other Expense 3% of Net Sales; Net Purchases Rs. 36,000 and Direct Expenses are 1 % of Net Purchases; FOH 2/3 of Direct Labor and Direct Labor cost is Rs. 15,000. Units are produced during the period was 5,000.

<b>Beginning Inventories</b>	Rs	<b>Ending Inventories</b>	Rs
Finished Goods	7,000		10,200
Work in Process	8,000		15,000
Material	8,000		8,500

### Aqib Khan Co.

#### Cost of Goods Sold Statement

For the Ended June, 2017

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Gross	<b>Profit</b>	=
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Net Profit =

**Per Unit Cost** =