

## Internal Assessment (Accounting for Managers)

From the following particulars prepare a statement in such form as you consider most suitable for showing clearly all element of cost: (10 marks)

	Rs.		Rs.
Opening stock of raw materials	25,000	Carriage on goods sold	1,500
Purchase of raw materials	70,000	Rent and rates of workshop	2,500
Raw materials returned to suppliers	2,000	Fuel, gas and water etc.	1,000
Closing stock of raw materials	18,800	Repairs to plant	600
Wages paid to:		Depreciation on machinery	1,400
Productive workers	18,000	Office expenses	1,500
Non-productive workers	2,000	Direct chargeable expenses	800
Salaries paid to office staff	5,000	Advertising	1,200
Carriage on raw materials purchased	500	Abnormal loss of raw materials	1,200

Jasmit Ltd. Produces a variety of products and components. The following components with relevant manufacturing costs are under consideration for purchase from outside.

Component	Direct Material Rs.	Direct Labour Rs.	Variable Overhead Rs.	Fixed Cost Rs.	Bought Out Price Rs.
A	6	2	1	3	8
B	2	8	2	10	23
C	1	2	3	5	12

Two of these components are to be bought from outside supplier at the price indicated above. Discuss which part should be bought from outside.

(10 marks)