



Department of Education, Sabaragamuwa/weekly school

week- January 4

Subject-Accounting

Grade-13

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Competency 14.0 – Evaluation of Basic Concepts of Management Accounting.

Competency Level 14.2 – Analyses basic concepts of Management Accounting.

1. What is the cost unit used in following cost centres :

- A bakery
- A hospital
- An electricity supply organization
- A cinema

2. Piyal started a furniture shop on 01.01.2018 by withdrawing Rs. 400 000 from a 12% fixed deposit. He registered his business by the name “Dewa Shakhty” by incurring registered fee of Rs. 2500.

For furniture they incurred.

- Purchase of machinery for Rs. 80 000
- Obtain a building for a monthly rent of Rs. 8 000
- Payment of Rs. 3 000 per finished table allocated for each carpenter.
- Purchased 400sq.ft of timber at a price of Rs. 400 per sq.ft and for each table it is required 18sq.ft of timber.
- Rs. 18 000 incurred for factory insurance and electricity
- Incurred Rs. 4 000 for sand papers and polish
- Should include equipment depreciation of Rs. 3000 (for 3 months)
- Included other factory expenses of Rs. 19 000.
- During the quarter ended 31.03.2018. They manufactured 20 tables out of which 15 were sold.

Based on the above information, answer the following questions.

- (i) Calculate period cost and product cost
- (ii) What is the value of remaining stock as at 31.03/2018 (Raw material and finished stock)
- (iii) Calculate variable and fixed costs separately.



