Chapter 16 - Cost Reconciliation Statement (लागत हिसाब मिलान बिबरण)

A cost reconciliation statement is prepared to reconcile the differences in net profits shown by cost and financial accounts. The reconciliation statement provides bases to verify the arithmetical accuracy of the incomes and expenses recorded in the two accounting systems. ( कुनै पनि ब्यबसायमा भएका त्रुटिहरुलाई हटाई लागत लेखा बिधि र बित्तिय लेखा बिधि बिचमा आएको भिन्नतालाई मिलाउने कार्यलाई लागत हिसाब मिलान बिबरण भनिन्छ। यसले अंक गणितिय जाचँमा पनि सहयोग पुर्याउदछ।

***VVI*** Basic Terms need to be remember:

|  |  |
| --- | --- |
| Terms  | Meaning  |
| Overheads  | Expense( खर्च) |
| Opening Stock | खर्च Expense  |
| Closing Stock | आम्दानि Income  |
| Dividend  | खर्च वा आम्दानि (only recorded in F/A) |
| Provision for tax/ Income tax | खर्च वा आम्दानि (only recorded in F/A) |
| Depreciation  | Loss घाटा |
| Interest on loan  | Expense( खर्च) |
| Over recorded/ overvalued/ overcharged  | बढि देखाएको |
| Under recorded/ under valued /undercharged  | कम देखाएको |

 **Format**

|  |  |  |
| --- | --- | --- |
| Particulars | Amount  | **Amount**  |
| Net profit as per Cost Account OR Financial Account ADD:LESS: |  | **xx** |
| Net Profit as per Financial Account OR Cost Account  |  | **xx** |

Practice Questions

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1. Profit shown by cost account Rs 80000
2. Works overheads under-recorded in cost account Rs 5000
3. Office overhead under-recorded in financial account 10000
4. Depreciation under charge in cost account Rs 6000
5. A profit on sale of fixed assets was shown on financial account 5000

Required: Reconciliation of cost and financial account

Reconciliation Statement
A company Limited

|  |  |  |
| --- | --- | --- |
| Particular  | Amount  | Amount  |
| Net profit as per cost account Add: Office overhead under recorded in financial account A profit shown in financial account Less: work overhead under recorded in cost account Depreciation undercharged in cost account  | 100005000 | 8000015000 |
| 50006000 | 95000(11000) |
| Net Profit as per financial account  |  | 84000 |

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Q 2. Net profit as per financial account was 60000 on reconciliation

1. Factory overhead under-recorded in cost account 8000 +
2. Interest expense recorded in financial account 3000n+
3. Overvaluation of opening stock in financial account 6000 +
4. Income tax paid Rs 8500 only recorded in financial account. +

Required: Reconciliation between cost and financial account.

Ans: Net Profit as per cost account Rs 85,500

Old is Gold Question

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