Cost Sheet Analysis at

Sri Ram Engineering Works Ltd

Aishwarya. M

(20PBA001)

A Major Project Report submitted to

Avinashilingam Institute for Home Science and Higher Education for Women

Coimbatore- 641 043

In partial fulfillment of the requirements for the Degree of

Masters in Business Administration

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CERTIFIED BONAFIDE RESEARCH WORK

Signature of the Supervisor	**Signature of the Head of the Department**	**Signature of the External Examiner**

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CONTENT

SYNOPSIS

The purpose of this paper is to examine the budgeting analysis to get a complete picture of costing in Sri Ram Engineering Works Ltd. The objectives were to find out how to prepare a cost sheet for a company. The study reviewed the theory of costing. Empirical literature was guided by the objectives. The study utilized both primary and secondary data. Primary data was collected from authorities, while secondary data was collected from the materials provided in the company.

Keywords: Costing, Cost Sheet Analysis

List of Tables

Chapter - 1

INTRODUCTION

1.1 Introduction

COST represents a sacrifice of values, foregoing or a release of something of value. It is the piece of economic resources used as a result of producing or doing the thing costed. It is the amount of expenditure incurred on a given thing. Cost has been defined as the amount measured in money or cash expended or other party transferred, capital stock issued, services performed or a liability incurred in consideration of goods and serviced received or to be received. By cost, we mean the actual cost i.e. historical cost.

A cost sheet is a statement prepared at periodical intervals of time, which accumulates all the elements of the costs associated with a product or production job. It is used to compile the margin earned on a product or job and forms the basis for the setting of prices on similar products in the future. is a memorandum statement that provides the estimated detailed costs in respect of a cost centre or a cost unit in a summarized manner. In a Cost Sheet, the elements of cost are arranged under different heads following a logical order. It depicts the detailed cost of the total output for a certain given period.The cost sheet does not form part of the double-entry system. In it, additional columns can be added to indicate the cost per unit at different stages of production.

1.1.2 CLASSIFICATION OF COST

Cost classification is the process of grouping costs according to their common features. Costs are to be classified in such manner that they are identified with cost center or cost unit.

o Fixed cost

o Variable cost

o Semi-variable cost

o Direct cost

o Indirect cost

1.1.3 CLASSIFICATION OF OVERHEADS

• On the basis of functions

• Factory overheads

It is the aggregate of all the factory expenses incurred in connection with manufacture of a

product. These are incurred in connection with running of factory. It includes the items of expenses viz, factory salary, work managers salary, factory repairs, rent of factory premises, factory lighting lubricants, factory power, drawing office salary, haulage(cost of internal transport) depreciation of plant and machinery unproductive wages, estimation expenses, royalties, loose tools, material handling charges, time office salaries, counting house salaries etc.

1.1.4 PURPOSE OF COST SHEET

▪ It gives the breakup of total cost under different elements.

▪ It shows total cost as well as cost per unit.

▪ It helps in comparison with previous years.

▪ It facilitates preparation of tenders or quotations.

▪ It enables the management to fix up selling price.

▪ It controls cost.

1.1.5 DIVISONS OF COST

PRIME COST

It comprises of all direct materials, direct labour and direct expenses. It is also known as flat

cost.

Prime Cost = Direct Materials + Direct Labour + Direct Expenses

WORKS COST

It is also known as a factory cost or cost of manufacture. It is the cost of manufacturing an

article. It includes prime cost and factory expenses.

Works Cost = Prime Cost + Factory Overheads

COST OF PRODUCTION

It represents factory plus administrative expenses.

Cost of Production = Factory Cost + Administrative Expenses

TOTAL COST

It represents cost of production plus selling and distribution expenses.

Total Cost = Cost of Production + Selling & Distribution Expenses

SELLING PRICE

It is the price which includes total cost plus margin of profit or minus loss, if any.

Selling Price = Total Cost + Profit (-Loss)

1.1.6 IMPORTANCE OF COST SHEET

- ✓ **Costing helps in periods of trade depression and trade competition:-** In periods of trade depression the business cannot afford to have leakages which pass unchecked. The management should know where economies may be sought, waste eliminated and efficiency increased. The business has to wage a wax for its survival. The management should know the actual cost of their products before embarking on any scheme of reducing the prices on giving tenders. Adequate costing facilitates this.

- ✓ **Aids in price fixation:-** Though economic law & supply and demand and activities of the competitors, to a great extent, determine the price of the article, cost to the producer does play an important part. The producer can take necessary guidance from his costing records.

- ✓ **Helps in estimate:-** Adequate costing records provide a reliable basis upon which tenders and estimates may be prepared. The chances of losing a contract on account of over – rating or losing in the execution of a contract due to under – rating can be minimized. Thus, "ascertained costs provide a measure for estimates, a guide to policy, and a control over current production".

- ✓ **Helps in channeling production on right lines:-** Costing makes possible for the management to distinguish between profitable and non-profitable activities profit can be maximized by concentrating on profitable operations and eliminating non-profitable ones.

- ✓ **Wastages are eliminated:-** As it is possible to know the cost of the article at every stage, it becomes possible to chock various forms of waste, such as time, expenses etc. or in the use of machine, equipment and tools.

- ✓ **Costing makes comparison possible:-** If the costing records are regularly kept, comparative cost data for different periods and various volumes of production will be available. It will help the management in forming future lines of action.

- ✓ **Provides data for periodical profit and loss accounts:-** Adequate costing records supply to the management such data as may be necessary for preparation of profit and loss account and balance sheet, at such intervals as may be desired by the management. It also explains in detail the sources of profit or loss revealed by the financial accounts thus helps in presentation of better information before the management.

1.1.7 Advantages of Cost Sheet:

- It indicates the break-up of the total cost by elements, i.e. material, labour, overheads, etc.

- It discloses the total cost and cost per unit of the units produced. It facilitates comparison.
- It helps the management in fixing selling prices.

- It acts as a guide to the management and helps in formulating production policy.

- It enables to keep control over cost of production.

- It helps the management in submitting quotations or preparing estimates for tenders.

- It is a simple and useful medium of communication of costs to various levels of management.

1.1.8 PROFORMA OF COST SHEET

COST SHEET

PROFORMA OF COST SHEET

PARTICULARS	TOTAL COST Rs.	
Opening Stock Raw Materials		
Add: Purchase	XXX	
Add: Carriage Inward		
Add: Octroi and Customs Duty	XXX	
Less: Closing Stock of Raw Materials		
Cost of Direct Material Consumed	XXX	
Direct Wages	XXX	
Direct or Chargeable Wages		
	XXX	
PRIME COST	XXX	
Add: Works of Factory Overheads:	XXX	
Indirect Materials		
Indirect Wages	XXX	
Leave Wages		

Bonus to Workers		
Overtime Wages	XXX	
Fuel and Power		
Rent and Taxes	XXX	
Insurance		
Factory Lightings	XXX	
Supervision		
Works Stationary	XXX	
Canteen and Welfare Expenses	XXX	
Repairs		
Works Salaries	XXX	
Depreciation of Plant and Machinery		
Works Expenses	XXX	
Gas and Water	XXX	
Technical Director's Fees		
Laboratory Expenses	XXX	
Works Transport Expenses		
Works Telephone Expenses	XXX	
Add: Opening Stock of Work-in-Progress	XXX	
Less: Closing Stock of Work-in-Progress		
Less: Sale of Waste	XXX	

WORKS COST	XXX	
	XXX	
	XXX	
Add: Office and Administration Overheads:		
Office Salaries	XXX	
Directors Fees	XXX	
Office Rents And Rates		
Office Stationary and Printing	XXX	
Sundry Office Expenses		
Depreciation on Office Furniture	XXX	
Subscription to Trade Journals	XXX	
Office Lightings		
Establishment Charges	XXX	
Directors Traveling Expenses		
Consultants Fees	XXX	
Contribution to Provident Fund	XXX	
Postage		
Legal Charges	XXX	
Audit Fees		

Bank Charges	XXX	
Depreciation And Repairs of Office Equipments	XXX	
Bonus to Staff		
	XXX	
COST OF PRODUCTION		
	XXX	
Add : Opening Stock of Finished Goods		
	XXX	
Less: Closing Stock of Finished Goods		
	XXX	
	XXX	
COST OF GOODS SOLD		
	XXX	
	XXX	
Add: Selling and Distribution Overheads		
	XXX	
Advertising	XXX	
Show Room Expenses	XXX	
Salesman's Salaries and Expenses	XXX	
Packing Expenses	XXX	
	XXX	
Carriage Outward	XXX	
Commission of Sales Agents	XXX	
Cost of Catalogues	XXX	
Expenses of Delivery Vans	XXX	
Collection Charges	XXX	
	XXX	

Traveling Expenses		
Cost Tenders	XXX	
Warehouse Expenses		
Cost of Mailing Literature	XXX	
Sales Manager's Salaries		
Insurance of Showroom	XXX	
Sales Director's Fees		
Sales Office Expenses		
Rent of Sales Office		
Depreciation of Delivery Vans		
Expenses of Sales Branch		
Establishments		
Branch Office Expenses		
TOTAL COST/TOTAL OF SALES		
Profit or Loss		
SALES		

1.2 COMPANY PROFILE

The Sri Ram Engineering Works has been created in the year 1983 in Coimbatore, Tamil Nadu. The company was founded by Mr. M. Ramanathan with small amount of employees. The manufactures of Textile Machineries and spares like Bolt, Nuts, Screws, Waser, Nylon Filter cloth. Initially, the company was selling products only within the Coimbatore District with low capital.

After the demise of the Founder Mr. M. Ramanathan, his son Mr. R. Shanmugam took in charge of the company. He expanded the company within a short period. The number of employees working in the company is about 250. The company expanded its sales between various districts and with the other states also.

The company got registered with the Goods and Services Tax (GST) GSTIN no: 33AAKFS0929E1ZD. The production environment is accredited with ISO 9001 & 14001 Certification. The company distributes their products to 3 states which are Andhra Pradesh, Karnataka, Kerala. The company is comprehensive with high potential machineries and covered an area of 15000 Square feet. Even though it is a small scale industry it has made a strong foundation between other companies ensuring by delivering good quality products to the consumers.

1.2.1 VISION AND MISSION

“To guarantee our continued success we will achieve a reasonable profit, continue to be the leader in our industry through individual and combined dedication, innovation, and integrity”.

“To exceed our customers expectations in quality, delivery, and cost through continuous improvement and customer interaction”.

1.3 OBJECTIVES OF THE STUDY

- This project was undertaken to have an insight into the cost structures of the Sri Ram Engineering Works.
- To study about the importance of Cost Sheet, advantages, limitations
- To study about the preparation and calculation of Cost Sheet

Chapter - 2

REVIEW OF LITERATURE

Halder, Antara (2020) - Preparation of cost sheet is very important for any small and large organization for pricing their product or services. Social and economic environments are quickly changing all over the world especially in the developing country due to frequent change in political outlook and switchover to globalization of economy. A business has to stand firmly on its food and accept challenge to face global competition. Thus the present day management of business grown in size and complexity is better than the management of earlier business having no keen competition. As a business student we need to prepare a report on different subjects in different courses. This report is an assigned internship as a partial fulfillment of MBA requirement. It is the optimum aggregated outcome of my effort about "Preparation of cost sheet and price determination of Amrita Food Products". In this report i mainly focus on costing system of bakery products. Here i have showed the calculation of prime cost, factory cost, production cost as well as sales cost. Here we have also tried to show the calculation of profitability and selling price.

Carmen Stoenoiu (2018) - The analysis of the cost of production is a complex problem, being very useful in the planning and control process as well as in production and sales. In this study, this was done using three methods: accounting analysis, high-low and regression analysis that allowed cost elements to be identified through a cost equation that can be used in planning and control analysis or in sales activity. At the same time, the evolution of the cost elements was achieved using two estimates used by the accounting method. The High-Low method allowed the determination of the minimum and maximum activity level at one year's level, which was then analyzed through the company's available activity range. The multivariate regression analysis determined the analysis of the obtained model, being linear, thus establishing the production line.

Dunbing Tang, Walter Eversheim, Günther Schuh (2007) - This research paper presents a qualitative and quantitative cost analysis system for sheet metal stamping development at an early design stage. First, the authors identify problems in the traditional metal stamping part and die development processes and outline the need for performance of concurrent stamping part design in order to achieve cost effectiveness that accommodates the concept of concurrent engineering. Based on feature-based modelling, a systematic method has been proposed to qualitatively analyse stamping costs through the design stages according to part information availability. The direct relationship existing between part features and cost factors is analysed in detail. Through feature-based qualitative cost analysis, the designer can identify the part attributes that significantly increase the die construction cost and redesign such parts as early in the process as possible. In addition, an algorithmic method is presented to estimate the stamping die cost quantitatively when the stamping part configuration and some basic parameters have been determined, which can give a rapid feedback to the customer and cost accounting department at an early design stage. Finally, system development is further discussed in depth with a case study. The results of this research are intended to facilitate cost effective stamping part and die development.

A L Sims (1985) - Effective management information systems are a basic need of every administrator of a medical group practice. This general discussion of the subject of cost accounting enables the administrator to develop a standard cost system and its related detail cost sheets as a management information tool. Detail cost sheets can be useful in reviewing utilization of group resources, establishing a basis for fees, setting a uniform margin of expected profit, and as a guide in negotiation of contracts with third-party payers

H. Elgamel, J. Gobrecht, D. Bachle, T. Mezzacasa (PSI), J. Hanoka (Evergreen Solar) (2018) - The aim of this project was to clarify the potential of low cost polycrystalline silicon substrate material for the fabrication of photovoltaic solar cells with increased efficiency by applying high-quality cell processing. We applied the PSI high-efficiency solar cell process on this

material and introduced several process variations which account for the polycrystalline nature of the material. A cell efficiency above 15% under AM 1.5 standard conditions has been achieved.

J. Baumgarten (1975) - The analysis made of the actual costs for 1973 comprised 20 university clinics. The aim was to evaluate the degree to which compulsory economic hospital management, as laid down in the hospital act and Federal decree on nursing tariffs, functioned in practice. To achieve this, the 20 clinics are compared for: capacity use; personnel costs data; material costs; tariffs.

C. Hübner, N.-O. Hübner, K. Hopert, S. Maletzki & S. Flessa(2018) - Infections with methicillin-resistant *Staphylococcus aureus* (MRSA) are assumed to have a high economic impact due to increased hygienic measures and prolonged hospital length of stay. However, surveys on the real expenditure for the prevention and treatment of MRSA are scarce, in particular with regard to the German Diagnosis-Related Groups (G-DRG) payment system. The aim of our study is to empirically assess the additional cost for MRSA management measures and to identify the main cost drivers in the whole process from the hospital's point of view. We conducted a one-year retrospective analysis of MRSA-positive cases in a German university hospital and determined the cost of hygienic measures, laboratory costs, and opportunity costs due to isolation time and extended lengths of stay. A total of 182 cases were included in the analysis. The mean length of hospital stay was 22.75 days and the mean time in isolation was 17.08 days, respectively. Overall, the calculated MRSA-attributable costs were € 8,673.04 per case, with opportunity costs making up, by far, the largest share (77.45 %). Our study provides a detailed up-to-date analysis of MRSA-attributed costs in a hospital. It allows a current comparison to previous studies worldwide. Moreover, it offers the prerequisites to investigate the adequate reimbursement of MRSA burden in the DRG payment system and to assess the efficiency of targeted hygienic measures in the prevention of MRSA.

Dr Bhadrappa Haralayya (2018) - The sugar enterprise is essentially an agro based enterprise taking part in an essential function in accomplishing socio-

economic improvement of rural neighborhood in specific and of the area in general. It now not solely occupies a outstanding role in the economy of the rural however at the identical time it contributes to the financial improvement of the nation. Sugar enterprise holds 2nd rank nest to cotton textiles in the united states of america and it indicates its importance. It generates employment nearly to 5 lakhs of people without delay and indirectly. India produces crystal white sugar, khandasari and jiggery. There are about 450 sugar industries working in the country. Among them one hundred twenty are in private sector, 235 in cooperative sector and ninety five are in p0ublic area respectively. In Karnataka state there are about forty sugar industries are present and out of 40, 20 are in private sector, 18 are in cooperative sector and ultimate 2 are in public quarter .The sugar industries are placed in rural areas and have an intrinsic symbiotic relationship with rural mass. Some sugar industries are having its very own co-gen units which are offering their surplus electricity to kingdom grids or to private birthday party sugar industries in one of the essential industries which are contributing a lot to the growth of rural economy. Further interestingly, the sugar industries are utilizing the rural assets and struggling tough to meet the large demand of sugar inside and to meet the increasing „power" wants of the usa in its own limitations .Sugar enterprise is considered as an agro-based industry. Hence the vicinity of such industries is always at rural areas. The sugar industry helps 50 million farmers and their households besides direct employment to the tune of millions of person.

DJ Hannant, JJ Zonsveld (1980) - The principles behind the use of continuous opened networks of fibrillated polypropylene film in a cement matrix are outlined. The excellent mechanical bonding between the film and the cement matrix enables closely spaced cracking to be achieved while the shape of the stress-strain curve demonstrates the ability of the composite to absorb transient overloads. It is shown that sheets of low materials cost can be produced which can comply with the British Standard loading requirements for asbestos cement sheeting.

MagnusJohannesson (1995) - This paper examines the relationship between cost-effectiveness analysis and cost-benefit analysis. Provided that a cost-effectiveness analysis includes all the relevant societal costs, it is shown that a cost-effectiveness analysis can be interpreted as a cost-benefit analysis where the willingness to pay per effectiveness unit is assumed to be constant and the same for everyone. To relax this assumption the willingness to pay per effectiveness unit can be allowed to vary depending on for instance the size of the health effects and the target population. It is argued that cost-effectiveness analysis is best viewed as a subset of cost-benefit analysis, where the aim of the analysis is to estimate the cost function of producing health effects. It is also concluded that to interpret and use cost-effectiveness analysis as a tool to maximize the health effects for one specified real-world budget, will be inconsistent with a societal perspective and is likely to lead to major problems of suboptimization.

Parvathi devi (2010) - The establishment of Costs relating the responsibilities of executives to the requirement of a policy, and the continuous comparison of actual with cost sheet results, either to secure by individual action the objectives of that policy, or to provide a basis for its revision. The project is taken up with the object to study Cost Analysis System in Surana Telecom and Power Pvt Ltd. The project is mainly a study to know about the meaning of the Cost Accounting, Cost preparation Process and comparing cost provision with actual. The main aim of the study is to know the effectiveness of the current and if any requirements for improvements. It's also An indication and explanation of the important of the Cost Accounting technique An overview of the advantages and disadvantages of Costing An introduction to the methods for preparing cost sheet An appreciation of the uses of costs Conclusion is drawn on the basis of analysis of the cost accounting. The analysis reveals the company financial position i.e. it's Expenditure and Revenue generated.

Athip tanaree (2019) - This project is to estimate the average cost of an integrated alcohol intervention program at community hospitals of Thailand and identify patient predictors and sources of variation of the program cost.

Methods: Activity-based costing was conducted under a societal perspective among 113 outpatient alcohol users (29 low-risk, 43 high-risk and 41 dependent drinkers), aged 15 years and older, at four community hospitals in southern Thailand. Multivariate regression models were performed to identify individual-level determinants of cost components. Results: The average cost per low-risk, high-risk, and dependent drinkers were 516 (16 USD), 2,961 (94 USD), and 5,325 baht (168 USD), respectively, of which labor and patient costs were the major components. Regardless of drinking risk level, past-year functional disturbance lasting more than 20 days ($\beta = 0.215$, $p = 0.035$) and increasing number of previous treatment episodes ($\beta = 0.035$, $p = 0.046$) independently increased overall program cost. Variation in the program cost was mainly caused by length of hospital stay followed by staff time for screening and delivering interventions. Conclusion: The study underlines the important role of pretreatment alcohol-related problems and human resources in alcohol intervention programs. Efforts should be focused on adequacy of treatment for the very first episode of alcohol problems to reduce the high healthcare costs.

Maxwell osei-ampofo (2021) - This study is based on the Cost Analysis Research. The choice of one course of action also means forgoing another, technically called opportunity cost or forgone alternative. Whereas the patient or household prioritizes and chooses to maximize satisfaction from scarce resources, health care providers make choices on the basis of priority and efficiency, achieving more with less resources, measured by, for instance, matching cost of health interventions with health outcomes. One of the numerous ways of doing this is through an economic evaluation, or the comparative analysis of alternative courses of action in terms of both their costs and consequences(effects). Such analyses assess the relative desirability of two or more alternative interventions. The cost-effectiveness of health care interventions, including EMS, must be demonstrated definitively if claims of their public health benefit are to have scientific credibility. Since some experts question the merits of interventions to improve resuscitation care, while others endorse such interventions, we believe that economic evaluations of EMS

provide critical information to inform public policy. This chapter discusses conducting economic evaluation of health interventions in the out-of- hospital setting and describes a methodology for determining the cost of an EMS intervention to the community it serves that was developed by the EMS Cost Analysis Project (EM-SCAP), sponsored by the U.S. National Highway Traffic Safety Administration.

Scott b. cantor (2005) - The purpose of this study is to conduct a cost analysis from an institutional perspective of translating an English-language survey instrument to Spanish. The authors conduct a process flow analysis of the steps required to create and validate a 30-page survey instrument with 211 items. The identified steps in the translation process cost $10,426. Personnel and overhead account for 60% and 33%, respectively, of the total costs. The detailed process of translating an English-language survey instrument to Spanish can be expensive but may be a critical component for the validity of a research study.

Snorri gudmudsson (2006) - An insight into the state of the GA industry is provided using industry data dating back to 1945. Reasons for its current state, including liability costs, are discussed to shed light on the volatility and scope of the GA market. This is followed by basic definitions of various cost- and revenue-related terms. Then methods to calculate project development and operational costs are presented. The development cost is estimated using the Eastlake model, which is based on the so-called DAPCA-IV aircraft procurement cost analysis method. It has been especially tailored for GA aircraft. This is presented for conventional GA aircraft and business aircraft. The accuracy of the Eastlake model is evaluated. Then, methods to help estimate the operational cost of operating GA and business aircraft are presented. Such methods are essential when trying to demonstrate whether the new aircraft will be more or less expensive to operate than competitor's aircraft.

Richard edlin (2002) - Cost-benefit analysis (CBA) is a recognised as the economic evaluation technique that accords most with the underlying principles of standard welfare economic theory. However, due to problems

associated with the technique, economists evaluating resources allocation decisions in health care have most often used cost-effective analysis (CEA), in which health benefits are expressed in non-monetary units. As a result, attempts have been made to build a welfare economic bridge between cost-benefit analysis (CBA) and cost-effectiveness analysis (CEA). In this paper, we develops these attempts and finds that, while assumptions can be made to facilitate a constant willingness-to-pay per unit of health outcome, these restrictions are highly unrealistic. We develop an impossibility theorem that shows it is not possible to link CBA and CEA if: (i) the axioms of expected utility theory hold; (ii) the quality-adjusted life-year (QALY) model is valid in a welfare economic sense; and (iii) illness affects the ability to enjoy consumption. We conclude that, within a welfare economic framework, it would be unwise to rely on a link between CBA and CEA in economic evaluations.

Stephanie Riegg Cellini, James Edwin Kee (2010) - Both cost - benefit analysis (CBA) and cost - effectiveness analysis (CEA) are useful tools for program evaluation. Cost - effectiveness analysis is a technique that relates the costs of a program to its key outcomes or benefits. Cost - benefit analysis takes that process one step further, attempting to compare costs with the dollar value of all (or most) of a program ’s many benefits. These seemingly straightforward analyses can be applied anytime before, after, or during a program implementation, and they can greatly assist decision makers in assessing a program ’s efficiency. However, the process of conducting a CBA or CEA is much more complicated than it may sound from a summary description. In this chapter we provide an overview of both types of analyses, highlighting the inherent challenges in estimating and calculating program costs and benefits. We organize our discussion around practical steps that are common to both tools, highlighting differences as they arise. We begin with a simple description of each approach.

Anne Loft (1914) - Management accounting is commonly understood to be a set of techniques for collecting and processing useful facts about organisational life. The information obtained is viewed as an objective form of

knowledge untaited by social values and ideology; the practitioners as technically skilled professionals whose political and social allegiances have no bearing on their practices. In this paper these views are brought into question through the "genealogical" method of looking in detail at one period in the history of accounting, examining the interplay between knowledge, techniques, institutions and occupational claims. In the period and place chosen — Britain during the First World War and the immediately following years, society was in a state of turmoil and this provides an ideal context for considering one part of the genealogy of management accounting.

Pavel Ciaian, Sergio Gomez y Paloma, Jacques Delincé (2013) - The structure and level of cost of production (CoP) have major implications for competitiveness of agriculture and income level of farmers. Production costs not only shape the development of farming systems but also affect their sustainability and determine overall food production potential. The availability of good quality data on CoP is a key requirement for conducting comparative analysis useful for policy decision, scientific output and/or for decisions of agricultural market agents. In view of this, this report aims to provide a review of methodologies on CoP approaches as applied in major world producing/trading countries/regions (Argentina, Australia, Brazil, Canada, EU, New Zealand, Ukraine, USA) and by Global Networks (agri-benchmark, IFCN). The report will be updated to include also review of methodologies in other developing countries. In particular, the report aims to summarize the methodologies and approaches for data collection and processing and their appropriateness as well as it provides recommendations.

Ahmt Akhter, SKS Islam (2018) - The overuse of antibiotics, chemicals and as well as lack of farm biosecurity and good hygiene practices in poultry production are considered to be contributors for occurring foodborne illness and many significant public health threats reported in both developed and developing countries nowadays. Considering the above, a piloted food safety activity was implemented jointly by the Department of Livestock Services and FAO-Food Safety program, Bangladesh in twenty-five selected poultry (broiler) dense subdistricts of the country. Good Agriculture Practices (GAP)

and Good Hygiene Practices (GHP) related five (microbial) plus five (chemical) Code of Practices (CoP) were adopted at the farm level (N=500) through farmers' motivation and intensive participatory training program. It was found that average production cost reduces, the feed conversion ratio decreases and mortality rate decreases that convince increase farm profitability in the best-practiced farms (n=81). In conclusion, Good Agriculture Practices (GAP) and Good Hygiene Practices (GHP) through certifying key control measures can increase profitability in broiler farming and CoP adapted farms found to be less public health hazardous than non-CoP farms in light of food safety and public health grounds.

S Popova, S Mohapatra (2011) - The purpose of this study was to conduct a literature review of cost-benefit studies on pharmacotherapy and psychotherapy treatments of alcohol dependence (AD). A literature search was performed in multiple electronic bibliographic databases. The search identified seven psychotherapy studies from the USA and two pharmacotherapy studies from Europe. In the psychotherapy studies, major benefits are typically seen within the first six months of treatment. The benefit-cost ratio ranged from 1.89 to 39.0. Treatment with acamprosate was found to accrue a net benefit of 21,301 BEF (528 €) per patient over a 24-month period in Belgium and lifetime benefit for each patient in Spain was estimated to be Pta. 3,914,680 (23,528 €). To date, only a few studies exist that have examined the cost-benefit of psychotherapy or pharmacotherapy treatment of AD. Most of the available treatment options for AD appear to produce marked economic benefits

D Walters (2009) - The purpose of this study was to evaluate the comparative cost of treating alcohol dependence with either cognitive behavioral therapy (CBT) alone or CBT combined with naltrexone (CBT+naltrexone). Two hundred ninety-eight outpatients dependent on alcohol who were consecutively treated for alcohol dependence participated in this study. One hundred seven (36%) patients received adjunctive pharmacotherapy (CBT+naltrexone). The Drug Abuse Treatment Cost Analysis Program was used to estimate treatment costs. Adjunctive pharmacotherapy

(CBT+naltrexone) introduced an additional treatment cost and was 54% more expensive than CBT alone. When treatment abstinence rates (36.1% CBT; 62.6% CBT+naltrexone) were applied to cost effectiveness ratios, CBT+naltrexone demonstrated an advantage over CBT alone. There were no differences between groups on a preference-based health measure (SF-6D). In this treatment center, to achieve 100 abstainers over a 12-week program, 280 patients require CBT compared with 160 CBT+naltrexone. The dominant choice was CBT+naltrexone based on modest economic advantages and significant efficiencies in the numbers needed to treat.

J Rehm, C Barbosa (2018) - Alcohol use is a major risk factor for mortality and morbidity burden, and alcohol use disorders contribute markedly to this burden. Effective interventions for alcohol use disorders improve health, and are potentially cost-effective or even cost saving. We searched the literature for the cost-effectiveness of alcohol interventions. We included behavioral, pharmacological and combined interventions, and research from both a health care provider and a societal perspective. Overall, many economic research studies pointed towards existing cost-beneficial therapies from the perspective of a health care provider; i.e. the costs for interventions were smaller than the savings in services delivery in the years thereafter. Even if this was not the case, the interventions proved to be cost-effective with a threshold below $20,000 per quality-adjusted life year. While most of the economic research to date shows promising results, such research is relatively scarce and not always rigorous. More, and more rigorous economic research is needed to fully understand the potential impact of alcohol interventions. However, even with this research, something needs to be done to reduce stigmatization of alcohol use disorders in order to fully reap the benefits of alcohol interventions.

MK Erramilli, CP Rao (1993) - Some peculiar characteristics of service firms, such as low capital intensity and the inseparability of production and consumption, have necessitated the modification of the traditional transaction-cost framework used to study entry-mode choice. By relaxing some unduly restrictive assumptions of the conventional transaction-cost analysis (TCA) model, the paper argues that firms prefer to start with full-control modes. It

postulates that substantial variation in entry-mode choice occurs when firms that are characterized by low asset specificity relinquish control in response to the rising costs of integration or the diminishing ability to integrate. Several hypotheses on the propensity of service firms to employ shared-control entry modes are developed and tested. The results not only provide insights into entry-mode choice by service firms but also indicate how the transaction-cost framework can be broadened to develop a more comprehensive model for understanding entry-mode choice.

Carlos algora (2016) - This chapter provides the required economic concepts to carry out the cost analysis of a project for a Concentrator Photovoltaic (CPV) plant. The economic concepts includes: elements of the investment, present and future worth of sums, the discount rate, effect of the inflation and impact of taxation and financing. The chapter presents the most common criteria that are aimed when measuring the profitability of the project, such as the net present value, benefit-to-cost, profitability index, the discounted payback time and the internal rate of return. The chapter analyses the cost of CPV technology including both the cost of the CPV system and the levelized cost of electricity (LCOE) resulting in a forecast about CPV grid parity. It presents the results of the installed cost of a system and its breakdown into component costs, and analyzes the LCOE as a function of several technical and financial aspects.

Jesus correas (2019) - This article presents parallel cost analysis, a static cost analysis targeting to over-approximate the cost of parallel execution in distributed systems. In contrast to the standard notion of serial cost, parallel cost captures the cost of synchronized tasks executing in parallel by exploiting the true concurrency available in the execution model of distributed processing. True concurrency is challenging for static cost analysis, because the parallelism between tasks needs to be soundly inferred, and the waiting and idle processor times at the different locations need to be accounted for. Parallel cost analysis works in three phases: (1) it performs a block-level analysis to estimate the serial costs of the blocks between synchronization points in the program; (2) it then constructs a distributed flow graph (DFG) to

capture the parallelism, the waiting, and idle times at the locations of the distributed system; and (3) the parallel cost can finally be obtained as the path of maximal cost in the DFG. We prove the correctness of the proposed parallel cost analysis, and provide a prototype implementation to perform an experimental evaluation of the accuracy and feasibility of the proposed analysis.

Daman k. panesar (2004) - The average cost is increasing for disposing and managing industrial wastes in the world. The utilization/reuse of industrial wastes in construction is vital in that context to reduce the cost of both industrial operations and construction contractors This chapter is a continuation of Chapter 27, which reviews the utilization of the three general categories of industrial wastes/by products: coal- burning ash (fly ash and bottom ash), iron and steel slags and silica fume in construction, and the corresponding economic impact of waste utilization, as well as their future prospects. Coal bottom ash and steel slag are less utilized compared to fly ash, quenched iron slag, and silica fume that are widely accepted as supplementary cementitious materials because of their pozzolanic and/or cementitious properties. The utilization of fly ash, ground granulated blast furnace slag, and silica fume in concrete infrastructure construction improves the mechanical properties and durability of concrete and reduces the life cycle cost.

A Rindfleisch, JB Heide (1997) - Over the past decade, transaction cost analysis (TCA) has received considerable attention in the marketing literature. Marketing scholars have made important contributions in extending and refining TCA's original conceptual framework. The authors provide a synthesis and integration of recent contributions to TCA by both marketers and scholars in related disciplines, an evaluation of recent critiques of TCA, and an agenda for further research on TCA.

CHAPTER-3

RESEARCH METHODOLOGY

Research methodology describes how the research study was undertaken. This chapter discusses the research methodology adopted in the study. The review of previous research studies forms the basis for constructing the methodology used in this study. A description of the research design and the tools used for analysis are presented in this chapter. This study will examine how the budgeting analysis is done.

3.1 Research Design

Though considering the surrounding convenience, the cost and timings also influenced the
decision concerning the choice of methodology. The research design used for the study is Descriptive Research Design. The descriptive research design is used for fact finding and it
describes the state of affairs as it exists at present.

3.2 Period of study

The data used for analysis in this study are collected for a period from December 2021 -
February 2022.

3.3 Nature of data

Primary data have been collected from the authorities through discussion and Secondary data
have been collected from company records for the study in Sri Ram Engineering Works Ltd,
Coimbatore.

3.4 Research Instrument

To study the objectives of Cost Sheet analysis and is used as an instrument to collect the data.

3.5 Data Analysis

For the present research work, different tools were used to analyse the data. The statistical tool used in the research are Cost Sheet.

CHAPTER – 4

ANALYSIS AND INTERPRETATION

Analysis and interpretation are the central step in research process. Analysis of data means

studying the tabulation material in order to determine the inherent facts for meaning. It involves breaking down complex factor into simple units. Interpretation refers to the task of drawing inferences from the collection facts after an analytical study. Interpretation is the search for broader meaning of research findings. Interpretation is the device through which the factor that seems to explain what has been observed from the research in the study can be better understood and also provides theoretical conception, which can serve as a guide for further research.

This chapter deals with the analysis and interpretation of data and information collected from

the authorities. The study aims to fulfil the following objectives:

- This project was undertaken to have an insight into the cost structures of the Sri Ram Engineering Works.
- To study about the importance of Cost Sheet, advantages, limitations
- To study about the preparation and calculation of Cost Sheet

Table 4.1

Total Output = 4,00,000 units

COST SHEET

PARTICULARS		**TOTAL COST**
Raw materials		
Opening stock	3,00,000	
Add: Materials purchased	3,20,000	
Less: Closing stock	1,00,000	
Direct Labour	5,00,000	
Carriage on material	2,42,500	
prime cost		**14,62,000**
Factory expenses		
Depreciation on plant & machinery	2,00,000	
Rent	1,50,000	
Power & Consumable stores	1,50,000	
Factory Insurance	10,00,000	
Supervisors Salary	50,000	
Fixed cost		**15,50,000**
Electricity charges	50,000	
Power & Consumable stores	1,00,000	
Running Expenses of Machine	1,50,000	
Variable cost		**3,00,000**
Factory cost		**18,50,000**

Office & Administration Expenses		
Office staff salary	1,00,000	
Rent	80,000	
Computer	1,20,000	
Furniture	2,00,000	
Telephone	10,000	
Carriage outward	20,000	
Depreciation on Furniture	50,000	
Rent, rates and taxes	30,000	
Office and administrative cost		**6,10,000**
Selling & Distribution Expenses		
Advertisement (print)	2,00,000	
Petrol	1,00,000	
Delivery vehicles	1,00,000	
Maintenance of delivery vehicles	49,800	
Packing rates	50,000	
Bad debts written off	1,00,000	
Selling & Distribution Expenses Cost		**5,99,800**
Total Cost		**63,71,800**
Net profit(20% on Selling price)		**1,19,960**
Sales		**64,91,760**

Interpretation:

Thus from the above analysis, the company is producing 4,00,000 units of Screw Shaft at the rate of Rs.16 for which they are incurring the total cost of Rs. 63,71,800 and the total sales of Rs. 64,91,760 which implies that they are having the profit of Rs. 1,19,960. The company is producing a single unit of screw shaft as Rs.16 which again implies that the profit of Rs.4 is gained on the single unit of screw shaft. Since the company is earning some percentage of profit above the cost it means increasing cost can be the favourable condition for the company.

Table 4.2

,Units produced = 17,100

STATEMENT OF COST

PARTICULARS	**TOTAL COST**	**PER UNIT**
Raw materials consumed	15,000	
Direct labour charges	9,000	
Prime cost	24,000	
Factory expenses(900hrs @ Rs. 5 per hr)	4,500	
Works cost	28,500	
Administrative overheads(20% on works cost)	5,700	
Cost of production	**34,200**	**2.00**

Interpretation:

Therefore from the above analysis, the prime cost is 24,000, Factory expenses for 900 hours is Rs.5 per hour, the works cost is Rs.28,500 and the Administrative overheads is 20% calculated on the works cost. So, the total cost of production incurred is 34,200.Therefore, for the 17,100 units of Bolt produced the incurred cost per unit in the company is Rs. 2.00.

Table 4.3

Profit sold = 16,000@ Rs.4 per unit

STATEMENT OF PROFIT

PARTICULARS	**TOTAL**	**PER UNIT**
Cost of production(16,000 units @ Rs.2 per unit)	32,000	
Selling overheads @ 50 paise per unit for 16,000 units	8,000	
Cost of sales	40,000	
Profit for the period	24,000	
Sales (16,000 units @ Rs.4 per unit	64,000	
Profit per unit sold		**1.5**

Interpretation:

Thus from the above table, it is analysed that the company sales is 16,000 units for Rs.4 unit. The cost of sales is Rs. 40,000 and profit for the period is 64,000. The sales for 16,000 units for Rs. 4 per unit is 64,000. By calculating profit for the period and the units sold, the profit per unit sold is Rs. 1.50.

Chapter - 5

SUMMARY

5.1 Findings

This research is to study about the Cost Sheet Analysis at Sri Ram Engineering Works Ltd. The Findings of the research is given below:

- The company is producing 4,00,000 units of Screw Shaft at the rate of Rs.16 for which they are incurring the total cost of Rs. 63,71,800 and the total sales of Rs. 64,91,760 which implies that they are having the profit of Rs. 1,19,960.
- The company is producing a single unit of screw shaft as Rs.16 which again implies that the profit of Rs.4 is gained on the single unit of screw shaft.
- Since the company is earning some percentage of profit above the cost it means increasing cost can be the favourable condition for the company.

5.2 Suggestion

- To upgrade the machines to increase the production.
- The company can also increase the number of laborers for working so that the work can be divided.
- Production can be increased by increasing the laborers to reach the high profit margin.
- Advertising of the company can be increased for higher sales of the company.

5.3 Conclusion

In the highlights of findings, the company incurs profit above the level of Total Cost. This study is focused on the preparation of Cost Sheet, importance, advantages and limitations. The company gains profit of Rs.4 in every single unit of screw shaft. It can be concluded that the company produces products at reasonable price with better quality. Thus the Cost Sheet Analysis helps in analysing the Cost of production, Sales and all the expenses occurred during the production.

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