

Unit 4: Value Added Statement

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2078 QN 7 [Regular]

Statement of value added

Particulars	Amount
Net sales	450,000
Add: Closing stock	60,000
Less: Opening stock	30,000
Cost of production	480,000
Less: Cost of bought in materials and services	270,000
Add: Commission received	15,000
Value Added	225,000

2077 QN 10 [Regular]

Statement of value added

Particulars	Amount
Net sales	500,000
Add: Closing stock	70,000
Less: Opening stock	50,000
Cost of production	520,000
Less: Cost of bought	
- Purchase	200,000
- Carriage inward	70,000
Add: Interest received	12,000
Value Added	262,000

2070 QN 14 [5 Marks]

Solution,

Value added statement

Particulars	Amount
Sales	850,000
Add: Closing stock of Finished Goods	65,000
Less: Opening stock of Finished Goods	(45,000)
Cost of Production	870,000
Less: Cost of Bought	
- Material purchase and used	(210,000)
- Paid for the other services	(72,105)
Add: Other incomes	-
Value Added	5,87,895
Applied as follow:	
a. Payment to employees	
- Productive and non-productive wages	343,600
- Staff salaries	142,620
b. Payment to government	
- Tax paid	18,500
c. Payment to capital providers	
- Proposed dividend was paid	24,000
d. Payment made for assets expansion	
- Depreciation expenses (20,500 + 1,120)	21,620

Add: Profit for the year (Balance Figure)	37,555
Value Added	5,87,895

2065 QN 12 [5 Marks]

Solution,

Value added statement	
Particulars	Amount
Sales	10,00,000
Less: Cost of Bought	
- Value of material bought	(400,000)
Add: Dividend Received (Other income)	5,000
Value Added	605,000
Applied as follow:	
- Wages paid to workers	350,000
- Interest on loan	10,000
- Depreciation	40,000
- Dividend paid	35,000
- Tax paid (170,000 @ 25%)	42,500
- Net Income (170,000 - 42,500)	127,500
Value Added	605,000

2069 QN 14 [5 Marks]

Solution,

Value added statement	
Particulars	Amount
Sales	510,000
Add: Closing stock	40,000
Cost of Production	550,000
Less: Cost of Bought	
- Raw material	(200,000)
- Store and fuel	(30,000)
- Factory expenses	(120,000)
- Office expenses	(70,000)
- Selling expenses	(30,000)
- Other expenses	(10,000)
Value Added	90,000
Applied as follow:	
a. Payment to employees	
- Wages	50,000
b. Payment to government	
c. Payment to capital providers	
d. Payment made for assets expansion	
Add: Profit for the year (Balance Figure)	40,000
Value Added	90,000

2062 QN 15 [5 Marks]

Solution,

Value added statement	
Particulars	Amount
Sales	10,00,000
Less: Cost of Bought	

- Value of material bought	(400,000)
Add: Dividend Received (Other income)	5,000
Value Added	605,000
Applied as follow:	
- Wages paid to workers	350,000
- Interest on loan	10,000
- Depreciation	40,000
- Dividend paid	35,000
- Tax paid (170,000 @ 25%)	42,500
- Net Income (170,000 - 42,500)	127,500
Value Added	605,000

2062 QN 15 [Old is Gold]

Value added statement	
Particulars	Amount
Sales	300,000
Add: Closing stock	50,000
Less: Opening stock (Finished goods b/d)	(40,000)
Cost of Production	310,000
Less: Cost of bought	
- Purchase of R/M (150,000 + 20,000 - 25,000)	(145,000)
- Carriage	(10,000)
Value Added	155,000
Applied as follows:	
- Wages and salaries	70,000
- Pension	20,000
- Interest on loan	5,000
- Depreciation	10,000
- Tax	10,000
- Net Profit	40,000
Value Added	155,000

2063 QN 14 [Old is Gold]

Value added statement	
Particulars	Amount
Sales	675,000
Add: Closing stock	18,000
Less: Opening stock	(18,750)
Value of production	674,250
Less: Cost of Bought	
- Purchases	(150,000)
- Carriage	(15,000)
- Factory expenses	(112,500)
- Administrative expenses	(168,750)
Value Added	228,000
Applied as follows:	
- Wages and salaries	37,500
- Interest expenses	12,500
- Depreciation expenses (20% of Rs 300,000)	60,000
- Net Profit (balance figure)	118,000
Value Added	228,000

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