

Process A/c with Closing WIP

Inputs to Process:

Materials 1,000 Kgs = £ 4,500

Conversion = £ 2,595

Normal Loss = 10 %

Output from Process:

Output 950Kgs

Closing WIP 50Kgs (100% Complete Materials, 30% Conversion)

Process A/c:

	Kg	£		Kg	£
Materials	1,000	4,500	N. Loss	100	0
Conversion		2,595	Output	950	7600
Ab. Gain	<u>100</u>	<u>800</u>	Closing WIP	<u>50</u>	<u>295</u>
	<b>1,100</b>	<b>7,895</b>		<b>1,100</b>	<b>7,895</b>

Workings:

Equivaent Units:	Materials Kg	Conversion Kg
Started & Finished	950	950
Ab. Gain	-100	-100
Closing WIP	<u>50</u>	<u>15</u> (50 * 30%)
	900	865
Cost	£4,500	£2,595
Cost Per EU	£5	£3

Valuation:

Output 950 \* (£5 + £3) = £7,600

Ab. Gain 100 \* (£5 + £3) = £800

Closing WIP (50 \* £5) + (15 \* £3) = £295