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# Study Material

## Contract Costing

### B.COM PART-3

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#### # When Contract is Incomplete #

(i) Cost of work certified.

(ii) Cost of work uncertified.

(iii) Cost of work certified

(iv) Work uncertified

(v) Plant at site

(vi) Material at site

(vii) other items :-

(a) Material transferred to other contracts

(b) Sale of material. (c) Material loss in accident

(d) Plant & Machinery returned.

(e) Loss on sale of Plant and Machinery

$$* \text{ Profit} = \text{Total profit of Contract} \times \frac{1}{3} \times \frac{\text{Cash received}}{\text{Work certified}}$$

$$* \text{ Profit} = \text{Total profit of Contract} \times \frac{2}{3} \times \frac{\text{Cash received}}{\text{Work certified}}$$

(i)  $\text{Profit} = \text{Estimated Profit on Complete Contract} \times \frac{\text{Work certified}}{\text{Contract price}}$

(ii)  $\text{Profit} = \text{Estimate Profit on Completed Contracts} \times \frac{\text{Work certified}}{\text{Contract price}} \times \frac{\text{Cash received}}{\text{Work certified}}$

(iii)  $\text{Profit} = \text{Estimated profit on Completed contract} \times$

$$\frac{\text{Cost of work to date}}{\text{Estimated total cost of work}}$$

(iv)  $\text{Profit} = \text{Estimated profit on completed Contract} \times$

$$\frac{\text{Cash received}}{\text{Work Certified}} \times \frac{\text{Cost of work to date}}{\text{Estimate total cost of work}}$$