

Types of cost sheet

We saw in previous lectures about the cost sheet. Now we will see the

types of cost sheet.

The types of cost sheet adopted by the different organisations are basically two major types :-

- ① Historical cost sheet
- ② Estimated cost sheet

① Historical cost sheet - The statement of cost which record all those expenses or costs that have already been incurred by the organisation, i.e. the actual cost based

(direct or indirect) on the business operation in a particular period, is called a historical cost sheet. Most of the organisations follow this type of cost sheet.

② Estimated cost sheet - It is a cost statement prepared in advance before the actual production of goods or services take place. It is used to predict or determine the cost which will be incurred by the organisation, the potential or probability of the product or service and to fix a suitable

selling price.

This type of cost sheet is usually prepared at the time of fixing tenders or taking contracts to quote an appropriate price of goods or services.