$$\frac{27.5}{40}$$

$2 \cdot 40$

LECTURERS: HIND MUHTASEB
HALA JADA

MID-TERM EXAM
ACCT. "331"

Student Name: ▓▓▓▓▓▓▓▓▓▓▓▓

Student #: ▓▓▓▓▓▓▓▓   Section 10:00

Multiple Choices

MCQ $\dfrac{6}{10}$

Q_1 $\dfrac{6}{7}$

Q_2 $\dfrac{8}{8}$

Q_3 $\dfrac{0}{6}$

Q_4 $\dfrac{7.5}{9}$

#	Answer
1.	b
2.	c
3.	b
4.	b
5.	A
6.	b
7.	A
8.	A
9.	d
10.	b

D 7.
C 8.
A 9.
A 10.

Each of the following items pertains to one of these companies: Bedell Electronics (a manufacturing company), Gregory Food Retailers (a merchandising company), and Larson Real Estate (a service sector company). Classify each item as either *inventoriable (I)* costs or *period (P)* costs.

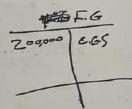|		I / P
1	Depreciation on Bedell Electronics assembly equipment.	I
2	Salaries of Bedell's assembly line workers	I
3	Purchase of frozen food for sale to customers by Gregory Food Retailers	I
4	Salaries of frozen food personnel at Gregory Food Retailing	I
5	Salary of a receptionist at Larson Real Estate	P
6	Depreciation on a computer at Larson Real Estate	P
7	Salary of a real estate agent at Larson Real Estate	P

B·d₁

merw {

Servce [

MoH.
Cost

1

Answer each of the following independent cases:

1. The balance in the Finished Goods Inventory account on July 1, 2007, was $34,000 and the June 30, 2008, balance in the Finished Goods Inventory account was $41,000. If the cost of goods manufactured was $200,000, what was the cost of goods sold? (3 points)

$$C.G.S = Beg + add - Ending.$$
$$34000 + 200,000 - 41000$$

$$= 193000$$

74000	
209000	193000
41000	

1400.

−30000   P + 2000... − G·GS = −30000
Eng = Big + add − GSo

2. If the balance in the Finished Goods Inventory account decreased by $30,000 during the period, and the cost of goods manufactured was $220,000, what was the cost of goods sold? (2 points)

$$C.G S = peg + add. Ending.$$

$$C.G.S = 220,000 + 30000$$

$$= 250000$$

F.G

209000	C.GS

3. In April, a manufacturing company had the following results:

Beginning finished goods inventory	$16,000
Ending finished goods inventory	$24,000
Sales	$950,000
Gross Profit	$450,000

What was the cost of goods manufactured for April? (3 points)

~~Sales = Beg + Add + End.~~

~~16000 f~~

↟ Gross puf = sales. − C.G.S.

$$= 950000 - 450000$$

$$= 500000$$

* G.G.S = beg + dde − 6nd.
·6... + X − 24000

2

Star Company's accountants estimate total overhead for each month will be $64,000. They will allocate overhead on the basis of direct labor cost. During the current month, 3 jobs were worked on:

	Job 745	Job 746	Job 747 —
Direct material	$36,000	$56,000	$24,000 = 116000
Direct labor	$56,000	$72,000	$40,000 = 168000
	C.G.S 92000	F.G	WIP
		128000	64000

Job 745 was completed and sold, Job 746 was completed, and Job 747 is still in process. Budgeted direct labor cost for the month was $160,000 and actual overhead was $65,800.

160 000 = 65 000   ↑

Complete the following:

Allocation.

1. The amount of over- or underapplied overhead for the month was 65860

A 16

2. Assuming overhead was $2,000 underapplied and that this amount is considered material, the balance of work in process after allocation of the underapplied overhead based on overhead charged to the accounts during the period is ✗

3. Assuming overhead was $2,000 overapplied and that this amount is considered material, the final adjusted balance of finished goods inventory is ✗

4. Assuming overhead was $100 underapplied and that this amount is considered immaterial, the final adjusted balance of cost of goods sold is ✗

? ?

3

A selected list of accounts used by Cline Manufacturing Company follows:

Code		Code	
A	Cash	F	Accounts Payable
B	Accounts Receivable	G	Salaries and wages payable
C	Raw Materials Inventory	H	Manufacturing Overhead
D	Work In Process Inventory	I	Cost of Goods Sold
E	Finished Goods Inventory	J	Sales Revenue

~~H~~ K Manufacturing overhead allocated

Cline Manufacturing Company uses a job order system and maintains perpetual inventory records.

Instructions: Place the appropriate code letter in the columns indicating the appropriate account(s) to be debited and credited for the transactions listed below.

TRASACTIONS	ACCOUTNS DEBITED	ACCOUNTS CREDITED
1. Issued a check to Dixon Machine Shop for repair work on factory equipment.	H	A
2. Direct materials were requisitioned for Job 280. *purch.*	D	C
3. Indirect factory labor was paid as incurred. *overhe.*	H	A
4. Recognized direct labor used.	~~G~~ D	G
5. The production department requisitioned indirect materials for use in the factory. *moH*	H	C
6. Overhead was applied to production based on a predetermined overhead rate of $8 per labor hour. |20 *mo H*	D	~~H~~ K
7. Goods that were completed were transferred to finished goods.	E	D
8. Goods costing $80,000 were sold for $105,000 on account.	B, I	J E

-0.5 -1

Circle the correct answer

Use the following information for the next 5 questions:

The accountant for Whirly Manufacturing Inc. gathered the following information for the month of November.

Beginning WIP	16,000 units
Started in production	100,000
Completed production	92,000
Ending WIP	24,000

The beginning inventory was 60% complete for materials and 20% complete for conversion costs. The ending inventory was 90% complete for materials and 40% complete for conversion costs.

Costs pertaining to the month of November are as follows:

Beginning inventory costs are:

Materials	$54,560
Direct labor	20,320
Factory overhead	15,240

Costs incurred during November include:

Materials	$468,000
Direct labor	182,880
Factory overhead	391,160

1. Using the first-in, first-out (FIFO) method, the equivalent units of production for materials are ✓
   a. 97,600 units
   ⓑ 104,000 units
   c. 107,200 units
   d. 113,600 units

2. Using the FIFO method, the equivalent units of production for conversion costs are ✓
   a. 85,600 units
   b. 95,200 units
   ⓒ 98,400 units
   d. 101,600 units

5

3. Using the FIFO method, the equivalent unit cost of materials for November is ✓
    a. $4.12
    (b.) $4.50
    c. $4.60
    d. $4.80

4. Using the FIFO method, the equivalent unit conversion cost for November is ✓
    a. $5.65
    (b) $5.83
    c. $6.00
    d. $6.20

5. Using the FIFO method, the total cost of units in the ending work in process inventory on November -30 is
    (a.) $153,168
    b. $154,800
    c. $155,328
    d. $156,960

$\boxed{D.m}$ $\boxed{C.C.}$

6. When will the weighted average and FIFO methods compute the same dollar amount for the costs to be transferred to the next department?
    a. When there are no units in ending.inventory
    (b.) When there are no units in beginning inventory
    c. When the number of units in beginning inventory equals the number of units in ending inventory
    d. When beginning and ending inventory were at the same stage of completion

Use the following information for the next 2 questions.

Xeno, Inc. operates a process costing system and uses the FIFO method. Beginning work in process consists of 1,000 units, 30% complete. Ending work in process is 15% complete, and direct materials are added at the 20% point. The equivalent units of production for materials are 14,000 and for conversion costs are 18,000.

7. The number of units in ending work in process was
    a. 37,000 ✗
    b. 14,000
    c. 18,000
    d. 22,000

8. The number of units started this month was
    (a.) 15,000 ✗
    b. 18,000
    c. 36,000
    d. 37,000

Handwritten work:

D.M C.C

	D.M	C.C
Beg.	1,000	
adj. 37,001	15,000	
Ac for		
from Beg. / ckdcon	0	700
	100% ::	100%.
End. 2,80% 4,000	20% :	19%
28,000	14,000	18,000

12,000 (a.) 15,000 ✗
14,400 b. 18,000 ✗
28,800 c. 36,000
24,600 d. 37,000

6

12,000 / 11,200
16,800

Start =
20% + 100% = 14,000
14,800

80%,
80 X + 25% = 14,000

1,2 X = 14,000 X + 20% X =

700 + add + 15 Eu = 180 · –
–2 –

add +5 Ena = 17,700

18,000

18,000

700.
100%.
19%
18,000

9. Maize Plastics manufactures and sells 50 bottles per day. Fixed costs are $30,000 and the variable costs for manufacturing 50 bottles are $10,000. Each bottle is sold for $1,000. How would the daily profit be affected if the daily volume of sales drop by 10%?

    a. profits are reduced by $4,000

    b. profits are reduced by $1,000

    c. profits are reduced by $5,000

    d. profits are reduced by $6,000

$30\,000 + 40\,000$

$\boxed{45}$ $39\,000$

$\boxed{200}$

10. When 20,000 units are produced, fixed costs are $16 per unit. Therefore, when 16,000 units are produced, fixed costs will _____.

    a. increase to $20 per unit

    b. remain at $16 per unit

    c. decrease to $10 per unit

    d. total $160,000