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البناني

FIRST SEM. 2018/2019

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COST

MID-TERM EXAM
ACCT331

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Section Time: 8:30-10 Day _____

QUESTION 4 (I/P)	
1	I
2	P
3	I
4	T
5	P
6	P
7	P
8	P
9	D

امير زيد
I

A امير زيد



QUESTION 5 (MC)	
1	B
2	C
3	C
4	A
5	C
6	A D
7	D
8	C
9	B
10	A

For Instructors' Use Only		
Question	Mark	
QUESTION 1	11.5	12
QUESTION 2	15	15
QUESTION 3	8.5	9
QUESTION 4	8	9
QUESTION 5	4.5	5
TOTAL	47.5	50

Excellent

Question 1 (12 points)

Journalize the following Transactions, which Fort Corporation had during its first month of operations:

1. Purchased raw materials on account, \$85,000.

Raw Materials 85,000

Accounts Payable 85,000

11.5
12

2. Raw Materials of \$30,000 were requisitioned to the factory. An analysis of the materials requisition slips indicated that \$6,000 was classified as indirect materials.

WIP 30,000

MoH 6,000

Raw Materials 36,000

3. Time tickets indicated that \$126,000 was direct labor and \$24,000 was indirect labor.

~~WIP~~ WIP 126,000

~~MoH~~ MoH 24,000

Salary and Wages Payable 150,000

4. Overhead costs incurred on account were \$168,000.

MoH 168,000

Various account 168,000

Pay. -0.5

5. Manufacturing overhead was allocated at the rate of 150% of direct labor cost.

WIP 189,000

MoH allocated 189,000

Question 2 (15 points)

15/15
Excellent

Use the following information for the next 5 questions. (SHOW CALCULATIONS)

Raw Material Inventory	
9/1	12,000
	42,000

Work in Process Inventory	
9/1	4,500
	89,000
	5,140

*D.M. - 5,140
D.L. -
MoH*

Finished Goods Inventory	
9/30	16,000

Overhead Cost Control	
	14,800

Accounts Payable	
	8,000
9/30	

Rate = 3

- The overhead is allocated to jobs using an estimated rate applied to direct labor hours. The budget for the year called for \$180,000 of overhead cost and 60,000 direct labor hours.
- Accounts payable is used for materials only. The balance on 9/1 was \$6,000. September's payments were \$40,000.
- September 1 finished goods inventory was \$11,000.
- Cost of jobs completed in September was \$89,000.
- On September 30 there was a single job unfinished, consisting of \$1,800 (300 hours) of direct labor and \$2,600 of direct material.
- 5,200 direct hours were worked during September. All workers earn the same rate of pay.
- All actual overhead costs incurred have been recorded.

6000	6000
40000	42
	8000

600 - 40 = 8

a. How much were the materials purchased in September? (3)

A/P	
	6000
40,000	(Purch)
	8000

$$6000 + \square - 40,000 = 8000$$

Purchases = 42,000

b. How much was the cost of goods sold during September? (3)

Fin. Prod Sold	
11,000	
89,000	
16,000	

$$11,000 + 89,000 - \square = 16,000$$

CGS = 84,000

c. What was the balance of Work in Process Inventory at September 30th? (3)

WIP	
4500	
84800	

WIP	
4500	89000

4500	89000
5300	

~~64400~~ = 1800 + 2600 + 900 = 5300

d. What was the direct labor wage rate per hour? (0.5)

1800 = 300 * [] \$

wage = 6 \$/hr

e. How much was the over/under applied overhead for September? (2.5)

MoH actual = 14800

MoH allocated = $\frac{180000}{60000} * 5200 = 15600$

8000 Variance
Overhead

f. What were the total manufacturing costs for September? (1.5)

4500 + [] - 89600 = 5300

89800

g. How much were the materials used during September? (1.5)

~~88900~~ = DM + DL + MoH
89800 = [] + 31200 + 15600
(6 * 5200)

P.M. = ~~12100~~
43000

Question 3 (9 points)

Compute the missing amounts below

PRODUCTION COST WORKSHEET USING (FIFO)

Flow of production	Physical Units	Direct Materials	Conversion
Work in process, beginning	300 ^A		
Started during period	120 ^B		
To account for	<u>15,000</u>		
Units completed			
Work in process, beginning	3,000	10	60% of 2,000
Started and completed	6,000	6,000	6,000
Work in process, ending	6,000	6,000	2,400
	<u>15,000</u>	<u>12,000</u>	<u>10,400</u>

Costs	Totals	Direct Materials	Conversion
Work in process, beginning	\$2,500	2,500	0
Costs added during period	17,320 ^C	9,000 ^D	\$8,320
Total costs to account for	<u>19,820</u> ^E	11,500 ^G	\$8,320
Divided by equivalent units		12,000	10,400
Equivalent unit costs	1.5 ^H ₅	0.75 ^I	1.0 ^J ₈

Assignment of costs		
Work in process, beginning		2,500 ^K
Completion of beginning		1,600 ^L
Total beginning inventory		M 4,100
Started and Completed		N 9,300
Total costs transferred out		<u>13,400</u> ^O
Work in process, ending		
Direct materials	4,500 ^P	
Conversion	1,920 ^Q	642 ^R
Costs accounted for		<u>\$19,820</u>

ANSWERS

A	3000
B	12000
C	17320
D	9000
E	19820
F	---
G	11500
H	1.55
I	0.75
J	0.8
K	2500
L	1600
M	4100
N	9300
O	43400
P	4500
Q	1920
R	640 6420

لازم 9000

لا توبدوا ال Total
! كى بنقسو

كاتب ختها
divide
by

8.5
9

Excellent

Question 4: (9 points)

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.

	inventoriable (I) costs or period (P) costs
1 Purchase of frozen food for sale to customers by Gregory Food Retailers	I
2 Salary of Bedell Electronics president	P
3 Salaries of Bedell's assembly line workers	I
4 Depreciation on Bedell Electronics assembly equipment	I
5 Salaries of frozen food personnel at Gregory Food Retailing	P
6 Depreciation on freezers at Gregory Food Retailing	P
7 Salary of a receptionist at Larson Real Estate	P
8 Salary of a real estate agent at Larson Real Estate	P
9 Depreciation on a computer at Larson Real Estate	P

Question 5 (5 points)

Choose the most appropriate answer:

1. Global Manufacturing Inc. uses normal costing during the year to allocate manufacturing overhead to jobs in a job costing system. At year end, it uses the adjusted allocation rate approach to account for underallocated or overallocated overhead. During 2018, Global's manufacturing overhead was underallocated by 10%. Job 117 had the following costs:

u.s.

*Mo Hadco 2000
200
Mo Hadco 2000*

Direct materials \$1,600
Direct labor \$3,400
Manufacturing overhead allocated \$2,000

7000

Which of the following would be the after-adjustment cost of Job 117?

- A) \$7,340
- B) \$7,200
- C) \$7,700
- D) \$6,300

2. Place the four business functions in the order they appear along the value chain:

- ④ Customer service
- ① Design
- ③ Marketing
- ② Production

- A) Customer Service, Design, Production, Marketing
- B) Customer Service, Marketing, Production, Design
- ③ C) Design, Production, Marketing, Customer Service
- D) Design, Customer Service, Production, Marketing

3. When a Bakery transfers goods from the Mixing Department to the Baking Department, the accounting entry would be _____.

- A) Debit: Work in Process — Mixing Department
Credit: Work in Process — Baking Department
- B) Debit: Work in Process — Baking Department
Credit: Accounts Payable
- ③ C) Debit: Work in Process — Baking Department
Credit: Work in Process — Mixing Department
- D) Debit: Work in Process — Mixing Department
Credit: Accounts Payable

Bakery

Mix

4. Management accounting _____.

- ① A) focuses on estimating future revenues, costs, and other measures to forecast activities and their results
- B) provides information about the company as a whole
- C) reports information that has occurred in the past that is verifiable and reliable
- D) provides information that is generally available only on a quarterly or annual basis

5. Actual costing is a costing system that traces direct costs to a cost object by _____.

- A) using the budgeted direct cost rates times the budgeted quantities of direct-cost inputs
- B) using the actual direct cost rates times the budgeted quantities of the direct-cost inputs
- ③ C) using the actual direct cost rates times the actual quantities of the direct-cost inputs
- D) using the budgeted direct cost rates times the actual quantities of the direct cost inputs

6. In the computation of the cost per equivalent unit, the weighted-average method of process costing considers all the costs _____.

- ① A) entering work in process from the units in beginning inventory plus the costs for the work completed during the current accounting period

- B) that have entered work in process from the units started or transferred in during the current accounting period
- C) that have entered work in process during the current accounting period from the units started or transferred in minus the costs associated with ending inventory
- D) that have entered work in process during the current accounting period from the units started or transferred in plus the costs associated with ending inventory

7. Which of the following statements is true of process costing?

- A) In the period of rising prices, weighted-average process-costing method will result in higher operating income as compared to FIFO process-costing method.
- B) The operating income and the income tax liability of a company are not affected by the method of process-costing being followed by the company.
- C) In the period of rising prices, weighted-average process-costing method will result in lower cost of goods sold as compared to FIFO process-costing method.
- D) In a period of falling prices, weighted-average process-costing method will result in a higher income tax liability as compared to FIFO process-costing method.

8. Which of the following best describes transferred-in costs?

- A) they are the cost of transferring products from a vendor
- B) they are value-added costs that are only considered in the first-in, first out process costing system
- C) costs incurred in a previous department or process that are carried forward as the product's cost as that product moves to another department or process in the production cycle
- D) they are the shipping costs related to finished goods that are transported to a customer's location

9. Which of the following statements is true?

- A) In a job-costing system, average production cost is calculated for all units produced.
- B) In a process-costing system, each unit uses approximately the same amount of resources.
- C) In a job-costing system, overheads are allocated to all units equally.
- D) In a process-costing system, individual jobs use different quantities of production resources.

10. Which of the following is a fixed cost with respect to units produced in a factory?

- A) monthly rent payment for the building
- B) electricity expenses
- C) utilities cost of the building
- D) direct material costs