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Time taken 1 hour 11 mins

Grade 25.00 out of 30.00 (83%)

Question 1

Correct

Mark 1.00 out of 1.00

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Financial accounting provides an organization's past-oriented information such as the previous years' financial statements.

Select one:

True ✓

False

The correct answer is 'True'.

The correct answer is 'True'.

Question 2

Correct

Mark 1.00 out of 1.00

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Wood Company incurred \$40,000 of fixed cost and \$50,000 of variable cost when 4,000 units of product were made and sold. If the company's volume increases to 5,000 units, the total cost per unit will be:

- a. \$18.00.
- b. \$20.50.
- c. \$22.50.
- d. \$20.00.



The correct answer is:

\$20.50.

Fuji Producers manufactures cooking oil and other products made from sunflower seeds. All direct materials are added at the beginning of the production process. Data for the direct materials used in the manufacture of cooking oil for the month of December is listed below.

Production data	
Beginning work in process	15,000 units
Units started during the period	40,000 units
Completed and transferred out	45,500 units

The correct answer is: 28500

Question 4

Correct

Mark 1.00 out of 1.00

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The weighted-average process costing method does not distinguish between units started in the previous period but completed during the current period and units started and completed during the current period.

Select one:

True ✓

False

The correct answer is 'True'.

Job 731 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	\$2,391
Direct labor	\$897
Machine hours	129 machine hours
MoH allocation rate	\$14 per machine hour

The total costs for Job 731 would be:

- a. \$2,418
- b. \$5,094
- c. \$4,254
- d. \$3,288



ABC Company utilizes job-order costing. It allocates overhead at a rate of 130% of direct labor costs. The following is data regarding three jobs:

	WIP balance At Feb 1	Direct Materials Costs added in February	Direct Labor Costs added in February
Job #101	\$400	\$200	\$500
Job #102	\$500	\$300	\$300
Job #103	\$300	\$260	\$100

Job #102 was completed and sold in February. How much is the balance in the WIP account at the end of February?

(DO NOT USE COMMAS OR THE DOLLAR SIGN)

Answer: 2540



If, at the end of the year, Manufacturing Overhead has been overallocated, it means that

- a. actual overhead costs were less than the overhead assigned to jobs. ✓
- b. overhead has not been allocated to jobs still in process.
- c. actual overhead costs were greater than the overhead assigned to jobs.
- d. cost of goods will have to be increased by the amount of the overallocated overhead

The correct answer is:

actual overhead costs were less than the overhead assigned to jobs.

Ogleby Inc.'s accounting records reflect the following inventories:

	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>
Raw materials inventory	\$120,000	\$ 96,000
Work in process inventory	156,000	174,000
Finished goods inventory	150,000	138,000

During 2017, Ogleby purchased \$980,000 of raw materials, incurred direct labor costs of \$175,000, and incurred manufacturing overhead totaling \$224,000.

How much is total manufacturing costs incurred during 2017 for Ogleby?

If equivalent units are 12,000 for conversion costs and units transferred out equals 10,000, using weighted average costing, what stage of completion should the ending work in process be for the 16,000 units remaining?

(DO NOT USE ANY SYMBOLS OR COMMAS). If the answer is 50%, it should be written as 0.50

Answer:

0.125



The correct answer is: 0.125

Correct
Mark 1.00 out of 1.00

Flag question

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 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. ✓
- d. 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.

If annual overhead costs are expected to be \$750,000 and direct labor costs are expected to be \$1,000,000, then if the allocation base is direct labor costs:

- a. for every dollar of direct labor, 75 cents of manufacturing overhead will be assigned. ✓
- b. a predetermined overhead rate cannot be determined
- c. for every dollar of manufacturing overhead, 75 cents of direct labor will be assigned.
- d. \$1.33 is the predetermined overhead rate.

The correct answer is:

for every dollar of direct labor, 75 cents of manufacturing overhead will be assigned.



for every dollar of direct labor, 75 cents of manufacturing overhead will be assigned.

Question 11

Correct

Mark 1.00 out of 1.00

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The variable cost per unit increases in direct proportion to the activity base

Select one:

- True
- False ✓

The correct answer is 'False'.

Question 12

Correct

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Direct Disk Drive Company operates a computer disk manufacturing plant. Direct materials are added at the end of the process. The following data were for August 2017:

Work in process, beginning inventory	151,400 units
Transferred-in costs (100% complete)	
Direct materials (0% complete)	
Conversion costs (80% complete)	
Transferred in during current period	451,200 units
Completed and transferred out	401,000 units
Work in process, ending inventory	202,000 units
Transferred-in costs (100% complete)	
Direct materials (0% complete)	
Conversion costs (55% complete)	

Calculate equivalent units for conversion costs using the FIFO method.

Select one:

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- A. 353,400 units
- B. 299,800 units
- C. 390,580 units

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Which of the following statements refers to management accounting information?

Select one:

- A. It primarily measures manager's compensation on reported financial results.
- B. There are no regulations governing the reports. ✓
- C. The reports are generally delayed and historical.
- D. The audience tends to be stockholders, creditors, and tax authorities.

The correct answer is: There are no regulations governing the reports.

Weighty Steel processes a single type of steel. For the current period the following information is given:

	Units	Material Costs	Conversion Costs
Beginning Inventory	3100	\$4800	\$5800
Started During the Current Period	20,400	32,300	78,700
Ending Inventory	3400		

Match each of the following phrases with an appropriate term which it describes.

Used by companies that produce large quantities of identical items

Process costing



Cost of all manufacturing activities other than direct material and direct labor

Manufacturing overhead



Beginning balance in the Finished Goods

Finished goods available for sale

Inventory plus cost of goods



Actual overhead is lower than overhead that has been allocated to products

Overallocated overhead



Cost of items that are completed and transferred from Work in Process Inventory to Finished Goods Inventory

Cost of goods manufactured



Materials costs that are not traced directly to products produced

Indirect materials



Cost of all