

## Exercise 1

An automobile assembly unit finds at the beginning of the period, there are 30 units in the assembly line. An estimate shows about 60% of material had been drawn and 20% of work has been completed. During the month, the assembly units completed 400 units. At the end of the month, there are 60 units in the assembly shop with 80% material drawn and 60% of work completed. Find the equivalent unit for material and conversion cost separately.

## Exercise 2

At the beginning of the month, a downstream petrochemical manufacturing company had 5000 units of work-in-process. Material is 100% drawn and the production is completed to an extent of 40% on conversion cost. Material cost of opening WIP is Rs. 600,000 and conversion cost is Rs. 40,000. During the month, the production department has drawn 40000 units of material at a cost of Rs. 4,800,000. The firm also spent Rs. 3,800,000 towards production expenses during the period. At the end of the month, closing WIP units are 3000 units. They are 100% complete on material and 60% complete on conversion cost. Find the following values:

- (a) Cost per Equivalent Unit for material and conversion cost
- (b) Cost of completed units
- (c) Cost of Ending Work-in-process
- (d) Reconciliation of costs.