**ACC 252 Overview**

**Chapter 1**

Direct Labor-

Direct Materials-

Manufacturing Overhead-

Product Cost- or manufacturing costs, end up companies balance sheet

Period Cost- nothing to do with product cost, Selling and administrative, in the headquarters, goes on Income statement

Finished product goes from factory to warehouse- Work in progress

Finished goods when sold- cost of goods sold sent to Income statement

**Cost Behavior**

Variable Costs- TVC goes up and down in same direction as activity levels

UVC- stays constant

Fixed cost- TFC stays constant within relevant range

UFC- goes up and down in opposite direction of activity level

Total costs- or mixed cost= TFC + TVC

Cost formula- y= a +bx

UVC = b x = activity level a = TFC y = TC

High-low method

Picks highest level of activity and lowest level of activity and finds the cost that corresponds with that activity

Delta cost

Delta activity = b

CM I/S vs. Regular I/S

**Contribution Margin Regular**

Sales – VC = CM S. P. + UVC = UCM

CM – FC = NOI Sales – COGS = Gross Margin – S & A = NOI

**Chapter 2**

POHR = (Est. Total OH cost)/ (est. total allocation base)

Apply OH = POHR \* Actual Activity

Raw material inventory, work in process inventory, finished good inventory

2-19 for practice

DM + DL + MOH = product costs / #units = cost per unit

Sch. COGM

DM + DL + MOH = total manufacturing cost (incurred during period)

DM = Beg. RM + RM purchased – End RM \*if given directly, then use it

TMC + Beg. Wip - End WIP = COGM (applied)

Sch. COGS

Beg FG + COGM – End. FG = COGS (unadjusted) + overapplied or underapplied MOH = COGS (adjusted)

MOH – actual (db) | applied (cr) = POHR \* Actual Activity

Start with MOH when putting to journal entry

**Chapter 3**