

21200288 H/11/21
 Cost and Managerial Accounting H/W 3
 Reading assignment: 100%
 EA-18, P4-27, P4-32

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EA-18

work in process on August 1 (70% complete as to conversion)
 Units started during August
 Total Units to account for
 Units completed and transferred out in August
 work-in-process, August 31
 Total units accounted for

Physical Units	% conversion	Equivalent Units	
		direct material	conversion
3,000	70%		
4,000			
<u>7,000</u>			
5,000	100%	5,000	5,000
2,000	30%	2,000	600
<u>7,000</u>		<u>7,000</u>	<u>5,600</u>

- ① equivalent units of direct : 7,000
 ② " " conversion activity : 5,600

P4-27

work-in-progress, Dec 1, 20X4
 Units started during Dec
 Total Units to account for
 Units completed + transferred out in Dec
 work-in-process, Dec 31
 Total units accounted for

Physical Units	% conversion	Equivalent Units	
		direct material	conversion
210,000	0%		
1,100,000			
<u>1,310,000</u>			
1,000,000	100%	1,000,000	1,000,000
310,000	48%	310,000	148,800
<u>1,310,000</u>		<u>1,310,000</u>	<u>1,148,800</u>

work-in-progress, Dec 1, 20X4
 costs incurred during Dec, 20X4
 total costs to account for
 Equivalent units

DLX2		Total
Direct Material	Conversion	
300,000	310,400	610,400
1,403,000	1,700,000	3,103,000
<u>1,703,000</u>	<u>2,010,400</u>	<u>3,713,400</u>
1,310,000	1,148,800	
\$1.30	\$1.75	\$3.05
	3.5	4.8

cost of goods completed : $1,000,000 \times \$3.05 = 3,050,000$
 cost of remaining : $310,000 \times 4.8 = 1,488,000$
 Direct material : $310,000 \times \$1.3 = \$403,000$
 conversion : $148,800 \times \$1.75 = \$260,400$
 Total costs accounted for : $3,713,400$
 5,723,800

1. Ending F/G : 1,200,000
 2. Ending WIP : 923,800
 -0.5

returns in process, Feb 1
 returns started in Feb
 total returns to account for
 returns completed
 returns in process, Feb 28:
 total returns accounted for
 total equivalent units

Physical Units	% conversion	direct materials <u>Labor</u>	conversion <u>Overhead</u>
300	20%		
900			
<u>1,200</u>			
800	100%	800	800
400	75%	400 300	300
<u>1,200</u>		<u>1,200 1,100</u>	<u>1,200 1,100</u>

returns in process, Feb 1
 costs incurred during Feb
 total costs to account for
 equivalent units
 cost per equi. units

<u>Overhead</u> direct material	<u>Labor</u> conversion	Total
4000	3,500	7,500
<u>51,000</u>	<u>90,000</u>	<u>141,000</u>
<u>56,000</u>	<u>93,500</u>	<u>149,500</u>
1,200 1,100	1,200 1,100	
\$ 46.67 45.83	\$ 85	\$ 124.58 124.5

cost of returns in progress:

direct : $1200 \times 45.83 = 54,996$
 conversion: $1100 \times 85 = 93,500$

$148,496$

Ending Return : £ 40,500

-0.5