

Check Figures for Problems and Cases

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Managerial Accounting, 10th Edition

Chapter 1

No check figures

Chapter 2

- P2-11 Rent on warehouse: fixed, period
- P2-12 Plastic washers: variable, indirect
- P2-13 (1) Manufacturing overhead, \$60
- P2-14 (1) Total internal failure cost this year: \$4,000,000
- P2-15 Cost of shipping finished goods: variable, selling
- P2-16 No check figure
- P2-17 Answering device: fixed, period
- P2-18 (1) Total variable cost, \$647,000
- P2-19 (1) COGM, \$290,000
- P2-20 (1) COGM, \$450,000
- P2-21 (1) Direct labor, \$65,000
- P2-22 No check figure
- P2-23 No check figure
- P2-24 No check figure
- P2-25 Case 1, Goods available for sale, \$24,000
- P2-26 (1) COGM, \$450,000
- C2-27 (2) COGM, \$680,000
- C2-28 No check figure

Chapter 3

- P3-13 (3) Overapplied, \$3,000;
(4) Net operating income, \$31,594
- P3-14 (3) Overapplied, \$3,000;
(4) Net operating income, \$52,000
- P3-15 (3) Underapplied, \$4,000;
(4) Net operating income, \$15,000
- P3-16 (3) Underapplied, £13,000;
(4) Net operating income, £82,000
- P3-17 (3) Overhead applied, \$32,000;
(4) Total cost, \$60,700
- P3-18 (2) Underapplied, \$270,000
- P3-19 (2) COGM, \$342,000;
(5) Direct materials, \$20,000
- P3-20 (3) Overapplied, \$3,000;
(4) Net operating income, \$40,400
- P3-21 (2) Total overhead, \$3,980;

- (3) \$312.40 per unit
- P3-22 (1) Research, \$35 per hr.;
(3) Total cost, \$4,060
- P3-23 (2) Overhead applied in 2001: \$1,500
- P3-24 (4) COGM, \$810,000;
(7) Overapplied, \$15,000
- P3-25 (2) Overhead applied, \$21,750
- P3-26 (2) COGM, \$635,000; (5) \$42 per unit
- P3-27 (3) COGM, \$590,000; (6) \$48.16 per unit
- C3-28 Overapplied, \$800
- C3-29 No check figure
- C3-30 No check figure
- C3-31 No check figure

Chapter 4

- P4-14 (2) 7/31 WIP, \$16,500
- P4-15 Conversion, \$0.60 per EU;
6/30 WIP, \$80,400
- P4-16 Materials, 460,000 EU; 6/30 WIP, \$81,000
- P4-17 (1) Conversion, 390,000 EU;
(3) 5/31 WIP, \$45,000
- P4-18 (2) Materials, \$0.90 per EU;
(3) 7/31 WIP, \$70,000
- P4-19 (2) Conversion, 32,000 EU
- P4-20 (1) Materials, \$1.40 per EU;
5/31 WIP, \$84,000
- P4-21 Materials, \$0.82 per EU;
7/31 WIP, \$28,240
- P4-22 (1) Conversion, \$3.00 per EU
- P4-23 (3) Materials, \$0.20 per EU;
3/31 WIP, \$12,600
- P4-24 (3) Labor, \$7.50 per EU; 5/31 WIP, \$42,500
- C4-25 No check figure
- C4-26 (1) Materials, \$0.31 per EU;
10/31 WIP, \$6,400
- C4-27 (1) Transferred in, \$0.84 per EU;
10/31 WIP, \$6,240

Chapter 5

- P5-11 (2) $Y = £20,000 + £8.00X$
- P5-12 (2) Net operating income, \$19,000
- P5-13 (3) Total cost, \$16,000
- P5-14 No check figure
- P5-15 (4) Total cost \$182,100
- P5-16 (3) Total cost, 283,500 pesos
- P5-17 (3) COGM, \$307,500
- P5-18 (1) $Y = \$800 + \$40X$

- P5-19 (1) $Y = \$1,185 + \$37.82X$
P5-20 No check figure
P5-21 (2) $Y = \$10,644 + \$2,100X$
P5-22 (1) $Y = \$40,000 + \$7,500X$
C5-23 No check figure
C5-24 No check figure
C5-25 No check figure
C5-26 (1) $Y = \$28,352 + \$2.58X$

Chapter 6

- P6-9 (1) Break-even, 15,000 units;
(4) 17,500 units
P6-10 (1) 20,000 shirts; (3) \$15,000 loss
P6-11 (1) Loss, \$8,600
P6-12 (2) Break-even, \$300,000
P6-13 (2) Break-even, 28,000 units
P6-14 (1) Break-even, 50,000 units
P6-15 No check figure
P6-16 (1) \$24,000 total sales
P6-17 (1b) Margin of safety, 8,000 pesetas
P6-18 (2) Break-even, 40,000 skateboards;
(6a) 43,000 skateboards
P6-19 (1) Break-even, \$100,000; (3) 57,500 pairs
P6-20 (2c) Present margin of safety, \$160,000
P6-21 (1) April net operating income, \$62,000
C6-22 (1) Net operating loss, \$46,200
C6-23 No check figure
C6-24 (2) 14,320 patient-days
C6-25 (2c) Break-even, \$26,875,000
C6-26 (1b) Breakeven, 56,250 units;
(3) 112,500 units

Chapter 7

- P7-8 (1) Year 2 net operating income, \$210,000
P7-9 (1b) Net operating income, \$70,000;
(2b) Net operating loss, \$10,000
P7-10 (2) Net operating income, \$40,000
P7-11 (2) June net operating income, \$90,000
P7-12 (1b) Net operating income, \$10,000;
(3a) Net operating income, \$40,000
P7-13 (1) Year 3 net operating income, \$30,000
P7-14 No check figure
P7-15 (2) Year 1 net operating income: \$60,000
C7-16 (1) 210,000 units
C7-17 (1) May net operating income, \$10,000;
(2) Breakeven, 64,000 units
C7-18 (2) Second Quarter net operating

income, \$270,000

Chapter 8

- P8-13 (2b) XR7 unit product cost, \$69.40
P8-14 (3a) \$1,816.50 per thousand square feet
P8-15 (2) Margin for local commercial work, \$(25,200)
P8-16 (2) Yellow margin, \$158,800
P8-17 (3b) Deluxe model unit product cost, \$335.60
P8-18 (2) Cost of customer service, € 20,125 per customer
P8-19 (3) Total cost of serving the Lazy Bee ranch, \$161.50
P8-20 (4) Yellow margin, \$(11.30)
P8-21 (3a) Mono-circuit overhead cost, \$30.75
C8-22 (2) Standard model unit product cost, \$20.48
C8-23 (2d) Yellow margin for Lynx Builders, \$3,439
C8-24 (3b) Overhead cost per pound of Malaysian, \$3.65
C8-25 (2) B-10, \$120 per unit;
(3) C-20, \$304.80 per unit

Chapter 9

- P9-8 No check figure
P9-9 (3) Ending cash balance, \$5,000
P9-10 (1) August, 56,000 units;
(3) July, 148,500 lbs.
P9-11 (1) Total cash disbursements for materials, \$195,250
P9-12 (2) Cash disbursements for manufacturing overhead, \$344,000
P9-13 (1) June ending cash balance, \$7,500
P9-14 (1) May, \$217,200;
(2) May ending cash balance, \$20,200
P9-15 No check figure
P9-16 (1) August collections, \$290,000;
(3) August payments, \$31,740
P9-17 (1) August collections, \$47,760;
(3) July ending cash balance, \$8,410
P9-18 (1a) Third quarter cash collections, \$523,000; (3) Third quarter ending cash balance, \$18,500
P9-19 (2a) May purchases, \$51,900;
(5) Net income, \$26,700
P9-20 (2) March purchases, \$55,300;
(5) Net income, \$7,690
P9-21 (1) May production, 38,000 units;

- (3) Direct labor, \$1,947,000
P9-22 (2) Excess cash, \$18,650
C9-23 No check figure
C9-24 Excess of cash available over disbursements in May, \$15,000
C9-25 (2) June ending cash balance, \$10,732;
(3) Net income, \$151,882

Chapter 10

- P10-10 (1a) Materials quantity variance, \$9,000 U; (2a) Labor rate variance, \$800 U
P10-11 (1) Materials price variance, \$1,600 F; (2a) Labor efficiency variance, \$5,400 U
P10-12 (1a) Materials price variance, \$5,280 F; (2a) Labor efficiency variance, \$4,320 F
P10-13 (1a) Materials quantity variance, \$500 F;
(1b) Labor rate variance, \$1,080 F
P10-14 (1a) MCE month 1, 11.1%; (3a) MCE month 5, 33.3%
P10-15 (3) Standard cost of Lanolin, €1,940.40 per batch
P10-16 (1) Materials price variance, \$4,750 U; (3) Labor rate variance, \$990 U
P10-17 (1a) Standard price, \$3; (2b) Labor rate variance, \$1,500 U
P10-18 (1) Standard cost, \$11,400; (5) Labor rate variance, \$450 U
P10-19 (1a) Materials price variance \$3,000 F; (2a) Labor rate variance, \$1,300 F
P10-20 (1) Materials price variance, \$29,000 U; (3) Variable manufacturing overhead spending variance, \$22,000 F
P10-21 No check figure
P10-22 (1) MCE month 1, 7.8%; (3a) MCE month 5, 21.4%
P10-23 No check figure
P10-24 (1) Standard cost of direct material, €6.10 per jar
P10-25 (1) Materials price variance, \$3,000 F; (3) Variable manufacturing overhead spending variance, \$1,520 U
C10-26 No check figure
C10-27 No check figure
C10-28 (2c) Actual cost, \$3,520; (4c) Labor rate variance, \$115 F
C10-29 No check figure

Chapter 11

- P11-12 (3) Total variance, \$7,050 U

- P11-13 (2) Materials price variance, \$3,000 F; (3) Volume variance, \$4,200 F
P11-14 (1) Flexible budget total cost at 780 liters: \$38,779
P11-15 (3a) Variable overhead spending variance, \$3,250 U; (3b) Budget variance, \$2,000 F
P11-16 (2) Overhead applied, £92,000; (3) Volume variance, £8,000 U
P11-17 (3) Variable overhead spending variance, \$430 F
P11-18 (2) Variable overhead spending variance, \$3,000 U
P11-19 (2) Total variance, \$800 U
P11-20 (3a) Applied overhead, \$360,000; (3b) Volume variance, \$30,000 U
P11-21 Total efficiency variance, \$550 F
P11-22 (4a) 46,250 standard hours; (4c) Volume variance, \$50,000 F
P11-23 (3a) 33,000 standard DLHs; (4) Budget variance, \$1,000 U
P11-24 (2) Standard cost, \$92.50; (4a) Budget variance, \$2,400 U
P11-25 (2) Flexible budget total cost at the actual activity level, \$340,640
C11-26 No check figure
C11-27 (5) \$5.14 per DLH
C11-28 Shipping expense variance, \$16,000 F
C11-29 No check figure

Chapter 12

- P12-14 (1) Central segment margin, \$32,000
P12-15 (1) Flour segment margin, \$42,000
P12-16 (3) Middle Europe segment margin, €184,000
P12-17 (2) Company A margin, 14%
P12-18 (1) Total ROI, 28%
P12-19 (1) ROI, 33%
P12-20 (2a) \$36 to \$39; (3a) \$35 to \$57
P12-21 (2) Profits would drop by \$60,000
P12-22 (1) Garments segment margin, R40,000
P12-23 (1) District C segment margin, \$19,500
P12-24 (1b) Residual income, \$700,000
P12-25 (3) ROI, 20%; (6) ROI, 25%
P12-26 (1a) Margin, 5%
P12-27 (3) Net loss per player, \$20
P12-28 (1) Lowest acceptable transfer price, \$450
C12-29 (1) Journal segment margin, \$95,000
C12-30 (3) \$12.50 to \$19.25
C12-31 (1) Line C segment margin, \$132,000

Chapter 13

- P13-11 (1) Decrease in profits, \$450
- P13-12 (1) Decrease in profits, \$410,000
- P13-13 (1) \$0.35 profit from further processing
- P13-14 (1) \$140,000 disadvantage to close
- P13-15 (2) Maximum price, \$0.43
- P13-16 (1) Increased net operating income, 90,000 mk
- P13-17 (1) Decrease in profits, \$20,000
- P13-18 (1) \$18,000 advantage to buy
- P13-19 (2) Breakeven price, \$24.50
- P13-20 (1) Decrease in net operating income, £ 36,200
- P13-21 (2) Hours required, 161,900 DLHs
- P13-22 (1) Incremental contribution margin, \$0.98 per container
- C13-23 No check figure
- C13-24 No check figure
- C13-25 No check figure
- C13-26 No check figure
- C13-27 No check figure
- C13-28 No check figure

Chapter 14

- P14-16 (2) NPV, \$12,516
- P14-17 (2) NPV of cash flows \$(192,400)
- P14-18 (2) Simple rate of return, 14%
- P14-19 NPV, \$(45,210)
- P14-20 (1) Project #1 profit index, 1.18
- P14-21 NPV, \$18,211
- P14-22 (1) Net annual cash receipts, \$63,900
- P14-23 (3a) Internal rate of return, 10%
- P14-24 (1) Project A profit index, 1.28
- P14-25 (3) Payback, 2.5 years
- P14-26 (1) NPV in favor of the new generator, \$14,635
- P14-27 (2) Simple rate of return, 14.2%
- P14-28 (1) NPV, \$(63,011)
- P14-29 (1) NPV in favor of leasing, \$52,340
- P14-30 (2) NPV, \$90,700
- P14-31 (2) NPV of Alternative #2, \$7,801
- P14-32 (1) Year 3 net cash flow, \$30,000
- C14-33 No check figure
- C14-34 (1) NPV in favor of leasing, \$3,949,950
- C14-35 (1) NPV in favor of Alternative #2, \$24,640
- C14-36 (1) NPV, \$926,252

Chapter 15

- P15-8 (1) Stamping rate, ₩8.30 per hour
- P15-9 (1) Cost to Machine Tools Division, \$97,000
- P15-10 (1) Cost to Milling, 340,000K
- P15-11 (3) Cost to Retail Division in May, \$21,600
- P15-12 Cost to Outpatient Clinic, \$60,000
- P15-13 Cost to Food Services, \$122,185
- P15-14 (2) Overhead rate in Metals, \$19.28
- C15-15 (1) Overhead rate, Milling Dept., \$4.05
- C15-16 (2b) Molding overhead rate, \$141.30 per DLH

Chapter 16

- P16-9 No check figure
- P16-10 (1) Net cash provided by operating activities, \$104
- P16-11 (2) Net decrease in cash, \$7
- P16-12 (2) Net cash used for investing activities, \$164,000
- P16-13 (1) Net cash provided by operating activities, \$39,000
- P16-14 (2) Net cash provided by financing activities, \$67,000
- P16-15 (2) Net decrease in cash, \$18,000
- P16-16 Net cash provided by financing activities, \$310,000
- P16-16 (2) Net cash used for investing activities, \$570,000
- P16-18 Net cash provided by operating activities, \$356,000
- P16-19 Net cash used for investing activities, \$230,000

Chapter 17

- P17-8 (2) Method A, 14%
- P17-9 (1b) Current ratio, 2.5 to 1
- P17-10 (1d) This year, 27.4 days; (1d) This year, 7.0 times
- P17-11 (1a) This year, \$6.16; (1e) This year, 7.3
- P17-12 (1a) This year, 6.8%; (2e) This year, \$52
- P17-13 No check figure
- P17-14 No check figure
- P17-15 No check figure
- P17-16 (1a) EPS this year, \$4.65; (1e) Book value per share last year, \$17.00
- P17-17 (1d) Average collection period this year, 21.0 days; (1f) Times interest earned this year, 7.25 times
- P17-18 No check figure

P17-19 No check figure

P17-20 No check figure

Appendix A

PA-5 (2) Price elasticity of demand: -1.2239

PA-6 (1b) Target price, \$90

PA-7 (1) Maximum purchase price: \$3,320

PA-8 (1a) Time rate, \$32 per hour

PA-9 (3) Profit-maximizing price: \$13.98

PA-10 (2a) Markup, 75%