**Exercise E4-11 (Second production department)**

Scribners Corp. produces fine papers in three production departments- Pulping, Drying, and Finishing. The company uses the weighted-average method in its process costing system. Data for March for the Drying Department follow:



No materials are added in the Drying Department. **Pulping costs represent the costs transferred in from Pulping Department (i.e., transferred-in cost).**

**Required:**

1. Compute the costs per equivalent unit for March for pulping and conversion of Drying Dept.

|  |  |  |
| --- | --- | --- |
| Equivalent units of production |  |  |
|  | *Pulping* | *Conversion* |
| Units transferred to next department | 157,000 | 157,000 |
| Ending work in process: |  |  |
| Pulping: 8,000 units x 100% complete | 8,000 |  |
| Conversion: 8,000 units x 25% complete |  | 2,000 |
| Equivalent units of production | 165,000 | 159,000 |

|  |  |  |
| --- | --- | --- |
| Cost per equivalent unit |  |  |
|  | *Pulping* | *Conversion* |
| Cost of beginning work in process | $   4,800 | $     500 |
| Cost added during the period | 102,450 | 31,300 |
| Total cost (a) | $107,250 | $31,800 |
| Equivalent units of production (b) | 165,000 | 159,000 |
| Cost per equivalent unit, (a) ÷ (b) | $0.65 | $0.20 |

1. Compute the costs of ending inventory on March 31 for Drying Dept.