

Course No: ACC 2302 – HSM 3314  
 Course Title: Cost Accounting  
 Date: 28/03/2015  
 No. of Questions: (2)  
 Time: 1 hour  
 Using Calculator (yes)

**University of Palestine**



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2005

**Mid-term Exam**  
**2<sup>nd</sup> Semester 2014/2015**  
**Total Grade: 20**

Instructor Name: Dr. Khaled Eissa  
 Student No.: \_\_\_\_\_  
 Student Name: \_\_\_\_\_  
 College Name: Business Administration  
 Dep. / Specialist: Accounting  
 Using Dictionary (No)

**Question 1:**

The following data were taken from the records of Lott Company for the fiscal year ended December 31, 2014

	<u>January 1</u>	<u>December 31</u>
Raw materials inventory	\$480,000	\$39,600
Work in process inventory	19,800	18,600
Finished goods inventory	96,000	75,900
Factory Insurance	\$4,600	
Factory Machinery Depreciation	16,000	
Factory utilities	27,600	
Office utilities expense	8,650	
Sales Revenue	534,000	
Plant Manager's Salary	58,000	
Direct labor	139,250	
Indirect labor	24,460	
Accounts Receivable	27,000	
Factory Property Taxes	9,600	
Factory repairs	1,400	
Raw Materials Purchased	96,400	
Cash	32,000	

**Required:**

- a. Prepare a cost of goods manufactured schedule (Assume all raw materials used were direct materials)
- b. Prepare an income statement through gross profit


**Question 2:**

Tierney Printing Corp. uses a job order cost system. The following data summarize the operations related to the first quarter's production.

1. Materials purchased on account \$384,000 and factory wages incurred \$174,600
2. Material requisitioned and factory labor used by job:

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Job No.	Materials	Factory labor	Manufacturing overhead	Total Manufacturing Cost
K530	\$70,000	\$40,000		
K531	85,000	50,000		
K532	72,000	30,000		
K533	80,000	60,000		
General Factory uses	9,000	15,000	N/A	N/A
	<b>\$316,000</b>	<b>\$195,000</b>		

3. Manufacturing overhead cost incurred on account \$99,000
4. Depreciation on factory equipment \$29,000
5. Manufacturing overhead rate is 90% of direct labor cost
6. Jobs completed during the quarter K530, K531, and K533

**Required:**

- a. Prepare entries to record the operations summarized above.
- b. Calculate the ending balance of the manufacturing overhead account

**<<< Good Luck >>>**