

Course No: ACC 2302 – HSM 3314  
 Course Title: Cost Accounting  
 Date: 29/03/2014  
 No. of Questions: (3)  
 Time: 1 hour  
 Using Calculator (yes)

**University of Palestine**



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UNIVERSITY OF PALESTINE

**Mid-term Exam**  
**2<sup>nd</sup> Semester 2013/2014**  
**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 information is available for Keystone Company:

	<u>March 1</u>	<u>March 31</u>
Raw materials inventory	\$12,000	\$10,000
Work in process inventory	2,500	4,000
Finished goods inventory	14,300	12,500
Materials purchased in March	\$90,000	
Direct labor in March	75,000	
Manufactured overhead in March	220,000	

**Required:**

Prepare the cost of goods manufactured schedule for the month of March

**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:

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		
	<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

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**Question 3:**

Colow delivery service reports the following costs and expenses in March 2014:

Indirect materials	\$2,700	Drivers' salaries	\$8,000
Depreciation on delivery equipment	5,100	Advertising	1,800
Dispatcher's salary	2,500	Delivery equipment repairs	150
Property taxes on office building	450	Office supplies	300
CEO's Salary	6,000	Office utilities	500
Gas and oil for delivery trucks	1,100	Repairs on office equipment	100

**Required:**

Determine the total amount of:

- a) Delivery service (product) costs
- b) Period costs

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