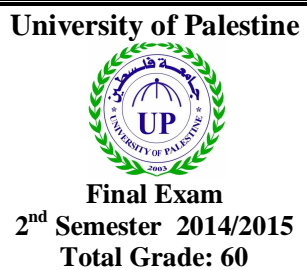


Course No: ACC 2302 – HSM 3314
 Course Title: Cost Accounting
 Date: 21/05/2015
 No. of Questions: (6)
 Time: 2 hour
 Using Calculator (yes)



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

أختر 5 أسئلة فقط من 6 للإجابة عليها
 الطلاب المعتذرين عن الإمتحان النصفى: يتم الإجابة عن 6 أسئلة

Question 1:

Overton Company a process cost system, has gathered the following information:

Units in beginning work in process	20,000
Units started into production	164,000
Units in ending work in process	24,000
Percent complete in ending work in process:	
Conversion costs	60%
Materials	100%
Costs incurred:	
Direct materials	\$ 101,200
Direct labor	\$164,800
Overhead	\$ 184,000

Required:

- a. Determine equivalent units of production for materials and for conversion costs.
- b. Determine the unit costs of production.
- c. Show the assignment of costs to units transferred out and in process.

Question 2:

Rani Company uses a job order cost system. During August, a summary of source documents reveals the following:

Job number	Material Requisition slips		Labor Time tickets	
1007	\$ 5,000		\$ 4,000	
1008	7,000		6,000	
1009	9,000	21,000	15,000	25,000
General use		2,000		2,500
		23,000		27,500

Rani Company applies manufacturing overhead to jobs at an overhead rate of 70% of direct labor cost.

Required: Prepare summary journal entries to record

- a. The requisition slips
- b. The time tickets
- c. The assignment of manufacturing overhead to jobs

Question 3:

Rabi Company has the following data: direct labor \$92,000, direct materials used \$85,000, total manufacturing overhead \$90,000, the beginning work in process \$15,000 and the ending work in process \$9,000

Required:

- a. Compute total manufacturing costs
- b. Compute cost of goods manufactured

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Question 4:

American Fabrics has budgeted overhead costs of \$990,000. It has allocated overhead on a plantwide basis to its two products (wool and cotton) using direct labor hours which are estimated to be 450,000 for the current year. The company has decided to experiment with activity-based costing and has created two activity cost pools and related activity cost drivers. These 2 cost pools are cutting (cost driver is machine hours) and design (cost driver is number of setups). Overhead allocated to the cutting cost pool is \$360,000 and \$630,000 is allocated to the design cost pool. Additional information related to these pools is as follows:

	Wool	Cotton	Total
Machine hours	100,000	100,000	200,000
Number of setups	1,000	500	1,500

Required:

- Determine the amount of overhead allocated to the wool product line and cotton product line using activity-based costing
- What amount of overhead would be allocated to the wool and cotton product lines using the traditional approach, assuming direct labor hours were incurred evenly between the wool and cotton?

Question 5:

The standard cost of product B manufactured by MIT Company includes 4 units of direct materials at \$6 per unit. During June, 39,000 units of direct materials are purchased at a cost \$5.8 per unit, and 39,000 units of direct materials are used to produce 9,700 units of product B

Required:

Compute the total materials variance and the price and quantity variances.

Question 6:

Vista Company installed a standard cost system on January 1. Selected transactions for the month of January are as follows:

- Purchased 18,000 units of raw materials on account at a cost of \$4.5 per unit. Standard cost was \$4.4 per unit.
- Issued 18,000 units of raw materials for jobs that required 17,500 standard units of raw materials
- Incurred 15,300 actual hours of direct labor at an actual rate of \$5 per hour. The standard rate is \$5.5 per hour.
- Performed 15,300 hours of direct labor on jobs when standard hours were 15,400.
- Applied overhead to jobs at the rate of 100% of direct labor cost for standard hours allowed.

Required:

Journalize the January transactions

<<< Good Luck >>>