

Course No: ACNE 2302
Course Title: Cost Accounting
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No. of Questions: (3)
Time: 1 hour
Using Calculator (yes)

University of Palestine  First Mid-term Exam 2nd Semester 2016/2017 Total Grade: 15

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College Name: Business Administration
Dep. / Specialist: Accounting
Using Dictionary (No)

Question 1:

Union Corporation has the following cost records for August 2016:

Indirect factory labor	\$9,000	Factory utilities	\$800
Direct materials used	40,000	Depreciation, factory equipment	2,800
Work in process, 1/8/2016	6,000	Direct labor	80,000
Work in process, 31/8/2016	7,600	Maintenance, factory equipment	3,600
Finished goods, 1/8/2016	10,000	Indirect materials	4,400
Finished goods, 31/8/2016	15,000	Factory manager's salary	6,000

Required:

- a. Prepare a cost of goods manufactured schedule for August 2016
- b. Prepare an income statement through gross profit for August 2016 assuming sales revenue is \$184,000.

Question 2:

PWH, a CPA firm uses job order costing to capture the costs of its audit jobs. There were no audit jobs in progress at the beginning of April. Listed below are data concerning the four audit jobs conducted during April.

	Brian	Gannon	Rosenthal	Linton
Direct materials	\$ 400	\$ 800	\$ 1,200	\$ 900
Auditor labor costs	\$ 6,750	\$ 13,200	\$ 11,000	\$ 12,000
Auditor hours	90	140	120	130

Overhead costs are applied to jobs on the basis of auditor hours and the predetermined overhead rate is \$40 per auditor hour. The Gannon job is the only incomplete job at the end of April. Actual overhead for the month was \$20,000.

Required:

- a. Determine the cost of each job.
- b. Indicate the balance of the service contracts in process account at the end of April.
- c. Calculate the ending balance of the operating overhead account for April.

Question 3:

In March, Stinson Company completes Job 10 and 11. Job 10 cost \$20,000 and Job 11 \$30,000. On March 31, Job 10 is sold to the customer for \$35,000 in cash.

Required:

Journalize the entries for the completion of the two jobs and the sale of Job 10.