

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

University of Palestine

Second Mid-term Exam
2nd Semester 2016/2017
Total Grade: 15

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

Question 1: (4 marks)

The Smelting Department of Mathews Company has the following production and cost data for November:

Production: Beginning work in process 2,000 units that are 100% complete as to materials and 20% complete as to conversion costs; units transferred out 8,000 units; and ending work in process 7,000 units that are 100% complete as to materials and 40% complete as to conversion costs.

Required:

Compute the equivalent units of production for (a) materials and (b) conversion costs for the month of November.

Question 2: (4 marks)

Weber Company purchases \$45,000 of raw materials on account, and it incurs \$60,000 of factory labor costs. Journalize the two transactions on March 31, assuming the labor costs are not paid until April.

Question 3: (7 marks)

Flynn Industries has three activity cost pools and two products. It expects to produce 3,000 units of product BC113 and 1,500 units of product AD908. Having identified its activity cost pools and the cost drivers for each pool, Flynn accumulated the following data relative to those activity cost pools and cost drivers.

Annual Overhead Data			Expected Use of Cost Drivers per Product		
Activity Cost Pool	Cost Drivers	Estimated Overhead	Expected Use of Cost Drivers per Activity	Product BC113	Product AD908
Machine Setup	Setups	\$ 16,000	40	25	15
Machining	Machine hours	110,000	5,000	1,000	4,000
Packing	Orders	30,000	500	150	350
Total		\$ 156,000			

Required:

- Prepare a schedule showing the computations of the activity-based overhead rates per cost driver.
- Prepare a schedule assigning each activity's overhead cost to the two products.
- Compute the overhead cost per unit for each product.