

Course No: ACNE 3308  
Course Title: Managerial Accounting  
Date: ---/03/2018  
No. of Questions: (3)  
Time: 1 hour  
Using Calculator (yes)

University of Palestine



First Mid-term Exam  
2<sup>nd</sup> Semester 2017/2018  
Total Grade: 15

Instructor Name: Dr. Khaled Eissa

Student No.: \_\_\_\_\_

Student Name: \_\_\_\_\_

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

### Question 1:

Westerville Company accumulates the following data concerning a mixed cost, using units produced as the activity level.

	Units Produced	Total Cost
March	10,000	\$18,000
April	9,000	16,650
May	10,500	18,580
June	8,800	16,200
July	9,500	17,100

Required:

- Compute the variable and fixed cost elements using the high-low method.
- Estimate the total cost if the company produces 9,200 units.

### Question 2:

Presto Company makes radios that sell for \$30 each. For the coming year, management expects fixed costs to total \$220,000 and variable costs to be \$18 per unit.

Required:

- Compute the break-even point in dollars.
- Compute the margin of safety ratio assuming actual sales are \$800,000.
- Compute the sales dollars required to earn net income of \$140,000.

### Question 3:

Manzeck Bicycles International produces and sells three different types of mountain bikes. Information regarding the three models is shown below.

	Pro	Intermediate	Standard
Unit sold	5,000	10,000	25,000
Selling price	\$800	\$500	\$350
Variable costs	\$500	\$300	\$250

The company's total fixed costs to produce the bicycles are \$7,500,000.

Required:

- Determine the sales mix as a function of units sold for the three products.
- Determine the weighted-average unit contribution margin.
- Determine the total number of units that the company must produce to break even.
- Determine the number of units of each model that the company must produce to break even.

<<< Good Luck >>>