

Course No: ACNE 2302
Course Title: Cost Accounting
Date: --/04/2018
No. of Questions: (3)
Time: 1 hour
Using Calculator (yes)

University of Palestine



Second Mid-term Exam
2nd Semester 2017/2018
Total Grade: 15

Instructor Name: Dr. Khaled Eissa
Dr. Tarek AbuAlageen

Student No.: _____

Student Name: _____

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

المطلوب الإجابة على السؤال الأول والثاني فقط
الطلاب المعتذرين عن النصف الأول الإجابة على السؤال الثاني والثالث فقط

Question 1:

Steiner Corporation manufactures water skis through two processes: Molding and Packaging. In the Molding Department, fiberglass is heated and shaped into the form of a ski. In the Packaging Department, the skis are placed in cartons and sent to the finished goods warehouse. Materials are entered at the beginning of both processes. Labor and manufacturing overhead are incurred uniformly throughout each process. Production and cost data for the molding department for January 2018 are presented below:

Production Data	January	Cost Data	January
Beginning work in process units	0	Materials	\$510,000
Units started into production	50,000	Labor	92,500
Ending work in process units	2,500	Overhead	150,000
Percent complete-ending inventory	40%	Total	\$752,500

Required:

- Compute the physical units of production
- Determine the equivalent units of production for materials and conversion costs
- Compute the unit costs of production
- Determine the costs to be assigned to the units transferred out and in process

Question 2:

Wilbury Company manufactures a nutrient, Everlife, through two manufacturing processes: Blending and Packaging. All materials are entered at the beginning of each process. On August 1, 2017, inventories consisted of raw materials \$5,000, work in process-Blending \$0, work in process-Packaging \$3,945, and finished goods \$7,500. The beginning inventory for packaging consisted of 500 units, two-fifths complete as to conversion costs and fully complete as to materials. During August, 9,000 units were started into production in blending, and the following transactions were completed:

- Purchased \$25,000 of raw materials on account.
- Issued raw materials for production: Blending \$18,930 and Packaging \$9,140.
- Incurred labor costs of \$25,770.
- Used factory labor: Blending \$15,320 and Packaging \$10,450.
- Incurred \$36,500 of manufacturing overhead on account.

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6. Applied manufacturing overhead at the rate of \$28 per machine hour. Machine hours were blending 900 and packaging 300.
7. Transferred 8,200 units from blending to packaging at a cost of \$44,940.
8. Transferred 8,600 units from packaging to finished goods at a cost of \$67,490.
9. Sold goods costing \$62,000 for \$90,000 on account.

Required:

Journalize the August transactions.

Question 3: (خاص بالطلاب المعتدلين عن النصف الأول)

A Job order cost sheet for Adham Company is shown below:

Job No. 111			For 2,000 Units
Date	Direct Materials	Direct Labor	Manufacturing Overhead
Beg. Bal. Jan.	10,000	12,000	9,600
1			
8	12,000		
12		16,000	13,600
25	4,000		
27		8,000	6,800
	26,000	36,000	30,000
Cost of completed Job:			
	Direct Materials		\$ 26,000
	Direct Labor		36,000
	Manufacturing Overhead		30,000
	Total Cost		\$ 92,000
	Unit Cost (\$45,700 ÷ 2,000)		\$ 46

Required:

1. What was the balance in work in process inventory on January 1 if this was the only unfinished job?
2. If manufacturing overhead is applied on the basis of direct labor cost, what overhead rate was used in each year (current year, and the previous year)
3. Prepare summary entries at January 31 to record the current year's transactions pertaining to job No. 92.

<<< Good Luck >>>