

Course No: ACNE 2302
Course Title: Cost Accounting
Date: /03/ 2019
No. of Questions: 3
Time: 1 hour
Using Calculator :(Yes)

University of Palestine



First Midterm Exam
Second Semester
2018/2019
Total Grade: 15

Instructor Name:Mr.Tareq Y. Abu Al-Ajeen
Student No.: _____
Student Name: _____
College Name: _____
Dep. / Specialist: _____
Using Dictionary (No)

• Answer all Questions

First Question: Multiple Choice **No. of Branches (6)** **(/ 3) (6-8 Minutes)**

1) For a printing company, the cost of paper is classified as a:

- A) Direct material cost
- B) Direct manufacturing labor cost
- C) Manufacturing overhead cost
- D) Period cost

2) Assigning direct costs to a cost object is called:

- A) cost allocation
- B) cost assignment
- C) cost pooling
- D) cost tracing

3) Inventoriable costs :

- A) include administrative and marketing costs
- B) are expensed in the accounting period in which the products are sold
- C) are particularly useful in management accounting
- D) are also referred to as nonmanufacturing costs

Answer the following questions using the information below:

Beginning finished goods, 1/1/20X5	\$ 40,000
Ending finished goods, 12/31/20X5	33,000
Cost of goods sold	250,000
Sales revenue	600,000
Operating expenses	120,000

4) What is gross profit for 20X5?

- A) \$243,000
- B) \$527,000
- C) \$357,000
- D) \$350,000

5) What is net income for 20X5?

- A) \$230,000
- B) \$123,000
- C) \$107,000
- D) \$157,000

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6) Raw materials are assigned to a job when:

- A) The job is sold.
- B) The materials are purchased.
- C) The materials are received from the vendor.
- D) The materials are issued by the materials storeroom.

Second Question **No. of Branches (2)** (/5) (14-18 Minutes)

The following information is available for BMX Company

	1/1/ 2018	2018	31/12/ 2018
Raw materials inventory	\$21,000		\$30,000
Work in process inventory	13,500		17,200
Finished goods inventory	27,000		21,000
Materials purchased		\$150,000	
Direct labor		220,000	
Manufacturing overhead		180,000	

Instructions

- 1) Prepare a cost of goods manufactured statement for BMX Company.
- 2) Show the presentation of the ending inventories on the December 31, 2018, balance sheet.

Answer

1)

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2)

Third Question **No. of Branches (1)** (/7) (18-24 Minutes)

Enos Printing Corp. uses a job order cost system. The following data summarize the operations related to the first quarter's production.

1. Materials purchased on account \$192,000, and factory wages incurred \$87,300.
2. Materials requisitioned and factory labor used by job:

<u>Job Number</u>	<u>Materials</u>	<u>Factory Labor</u>
A20	\$ 35,240	\$18,000
A21	42,920	22,000
A22	36,100	15,000
A23	39,270	25,000
General factory use	4,470	7,300
	<u>\$158,000</u>	<u>\$87,300</u>

3. Manufacturing overhead costs incurred on account \$49,500.
4. Depreciation on factory equipment \$14,550.
5. Depreciation on the company's office building was \$14,300.
6. Manufacturing overhead rate is 90% of direct labor cost.
7. Jobs completed during the quarter: A20, A21, and A23.

Instructions

Prepare entries to record the operations summarized above.

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Answer:

End of Questions
Good Luck