

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

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

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

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**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

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**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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Using Dictionary (No)

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)
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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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Using Dictionary (No)

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***