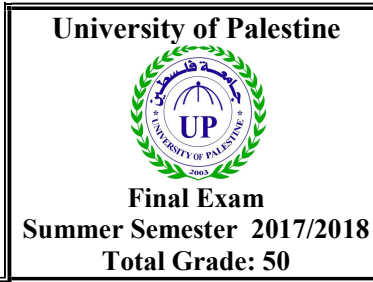


Course No: ACNE 2302  
Course Title: Cost Accounting  
Date: 04/09/2018  
No. of Questions: (6)  
Time: 2 hour  
Using Calculator (yes)



Instructor Name: Dr. Khaled Eissa  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: Business Administration  
Dep. / Specialist: Accounting  
Using Dictionary (No)

أختر 5 أسئلة فقط من 6 للإجابة عليها  
الطلاب المقبول إعتذارهم عن الإمتحان النصفى: يتم الإجابة عن 6 أسئلة

### Question 1:

Perdon Corporation manufactures two home theater systems, Elite and Preferred. As part of its annual budgeting process, Perdon is analyzing the profitability of its two products. Part of this analysis involves estimating the amount of overhead to be allocated to each product line. The information shown below relates to overhead.

	Elite	Preferred
Units planned for production	400	100
Material moves per product line	600	400
Purchase orders per product line	225	175
Direct labor hours per product line	800	1,700

### Required:

- The total estimated manufacturing overhead was \$260,000. Under traditional costing (which assigns overhead on the basis of direct labor hours), what amount of manufacturing overhead costs are assigned to each product line?
- The total estimated manufacturing overhead of \$260,000 was comprised of \$160,000 for material handling costs and \$100,000 for purchasing activity costs. Under activity based costing (ABC), what amounts of manufacturing overhead costs are assigned to each product line?

### Question 2:

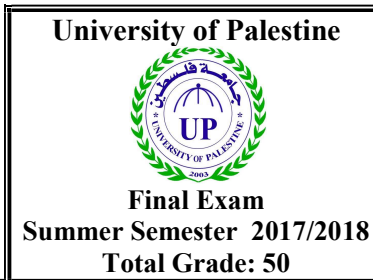
Conwell Company manufactures its product, Vitadrink, through two manufacturing processes: Mixing and Packaging. All materials are entered at the beginning of each process. On October 1, 2017, inventories consisted of Raw materials \$13,000, Work in process-Mixing \$0, Work in process-Packaging \$125,000, and finished goods \$245,000. The beginning inventory for Packaging consisted of 5,000 units that were 50% complete as to conversion costs and fully complete as to materials. During October, 25,000 units were started into production in the Mixing Department and the following transactions were completed:

- Purchased \$150,000 of raw materials on account.
- Issued raw materials for production: Mixing \$100,000 and Packaging \$22,000
- Incurred labor costs of \$130,000
- Used factory labor: Mixing \$92,000 and Packaging \$38,000
- Incurred \$400,000 of manufacturing overhead on account.
- Applied manufacturing overhead on the basis of \$24 per machine hour. Machine hours were 14,000 in Mixing and 3,000 in Packaging
- Transferred 22,000 units from Mixing to Packaging at a cost of \$490,000
- Transferred 26,000 units from Packaging to finished goods at a cost of \$650,000
- Sold goods costing \$800,000 for \$1,250,000 on account.

### Required:

Journalize the October transactions.

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**Question 3:**

The following information is available for Keystone Company:

	<u>March 1</u>	<u>March 31</u>
Raw materials inventory	\$6,000	\$5,000
Work in process inventory	1,000	2,000
Finished goods inventory	7,000	6,000
Materials purchased in March	\$45,000	
Direct labor in March	40,000	
Manufactured overhead in March	100,000	

**Required:**

Prepare the cost of goods manufactured schedule for the month of March

**Question 4:**

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

<b>Job No. 92</b>			<b>For 2,000 Units</b>
<b>Date</b>	<b>Direct Materials</b>	<b>Direct Labor</b>	<b>Manufacturing Overhead</b>
Beg. Bal. Jan.	10,000	12,000	9,600
1			
8	12,000		
12		16,000	12,000
25	4,000		
27		8,000	6,000
	26,000	36,000	27,600
Cost of completed Job:			
Direct Materials			\$ 26,000
Direct Labor			36,000
Manufacturing Overhead			27,600
Total Cost			\$ 89,600
Unit Cost (\$89,600 ÷ 2,000)			\$ 22.85

**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.

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Using Dictionary (No)

**Question 5:**

A) The Standard cost of Product B Manufactured by MIT Company includes three units of direct materials at \$5.00 per unit. During June, 29,000 units of direct materials are purchased at a cost of \$4.70 per unit, and 29,000 units of direct materials are used to produce 9,500 units of product B.

**Required:**

Compute the total materials variance and the price and quantity variance.

B) Shannon Company is planning to produce 2,000 units of product in 2014. Each unit requires 3 pounds of materials at \$5 per pound and a half-hour of labor at \$15 per hour. The overhead rate is 70% of direct labor.

**Required:**

- a. Compute the budgeted amounts for 2014 for direct materials to be used, direct labor, and applied overhead.
- b. Compute the standard cost of one unit of product

**Question 6:**

The cutting department of Cassel Company has the following production and cost data for July:

Production	Costs
1. Transferred out 12,000 units	Beginning work in process     \$ 0
2. Started 3,000 units that are 60% complete as to conversion costs and 100% complete as to materials at July 31.	Materials                             45,000
	Labor                                    16,200
	Manufacturing overhead        18,300

Materials are entered at the beginning of the process. Conversion costs are incurred uniformly during the process.

**Required:**

- a. Determine the equivalent units of production for (1) materials and (2) conversion costs.
- b. Compute unit costs and prepare a cost reconciliation schedule.

<<< **Good Luck** >>>