

Student name: _____

Managerial accounting is an activity that helps managers determine the costs of an organization's products and services, plan future activities, and compare actual results to planned results.

true

false

Control is the process of setting goals and making plans to achieve them.

true

false

Control is the process of monitoring and evaluating an organization's activities and employees.

true

false

Managerial accounting provides financial and nonfinancial information to an organization's managers.

true

false

Managerial accounting information is available quickly and without an audit, while financial accounting information is usually only available after an audit.

true

false

Managerial accounting provides information to internal users as they request it. This can be immediate and as frequent as demanded.

true

false

Marketing managers can use managerial accounting information to decide whether to advertise on social media.

true

false

Managerial accounting reports and information are used by external users, and financial accounting is used by internal users.

true

false

Both financial and managerial accounting follow concepts and rules known as generally accepted accounting principles (GAAP) to provide consistency and comparability of financial statements across companies.

true

false

Both financial and managerial accounting report monetary information; managerial accounting also reports some nonmonetary information.

true

false

Both financial and managerial accounting affect user's decisions and actions.

true

false

The focus of managerial accounting information is on the organization as a whole.

true

false

Planning is the process of setting goals and making plans to achieve them.

true

false

Feedback from the control function helps managers compare actual results with planned results and take corrective actions.

true

false

Ethics are beliefs that distinguish right from wrong. They are accepted standards of good and bad behavior.

true

false

Total quality management focuses on quality improvement to business activities.

true

false

Just-in-time manufacturing is a system that acquires inventory and produces products only after it receives an order.

true

false

The main goal of the lean business model is the elimination of waste while satisfying the customer and providing a positive return to the company.

true

false

Customer orientation means that managers and employees understand the changing needs and wants of customers and align management and operations accordingly.

true

false

Total quality management and just-in-time manufacturing are both methodologies that focus on continuous improvement.

true

false

Under a just-in-time manufacturing system, large quantities of inventory are acquired to produce products in advance of customer orders.

true

false

The balanced scorecard aids in continuous improvement by augmenting financial measures with information on the drivers or indicators of future financial performance.

true

false

Direct materials are materials used in manufacturing that cannot be cost-effectively traced to finished goods.

true

false

Conversion costs are costs incurred in converting raw materials to finished goods.

true

false

Conversion cost is the sum of direct materials costs and direct labor costs.

true

false

Period costs are production costs that are linked to specific products.

true

false

A cost object is a product, process, department, or customer to which costs are assigned.

true

false

Factory overhead includes all manufacturing costs, including direct materials and direct labor.

true

false

The salary of a manufacturing supervisor, who monitors production, is an example of a direct cost.

true

false

Indirect costs are costs that cannot be cost-effectively traced to a cost object.

true

false

Product costs can refer to expenditures necessary to manufacture products and to administrative support during the time period.

true

false

Period costs are production costs necessary to create a product and consist of direct materials, direct labor, and factory overhead.

true

false

Product costs are capitalized as inventory on the balance sheet and period costs are expensed on the income statement.

true

false

Product costs can be classified as one of three types: direct materials, direct labor, or factory overhead.

true

false

Product costs are production costs necessary to create a product.

true

false

Period costs are expensed in the period when incurred and are reported on the income statement as either selling expenses or general and administrative expenses.

true

false

The cost of partially completed products is included in the balance of the Work in Process Inventory account.

true

false

Manufacturers report three types of inventories: raw materials, work in process, and finished goods.

true

false

The main difference between the cost of goods sold of a manufacturer and a merchandiser is that the merchandiser includes cost of goods manufactured rather than cost of goods purchased.

true

false

Raw materials inventory should not include indirect materials.

true

false

Raw materials purchased plus beginning raw materials inventory equals the ending balance of raw materials inventory.

true

false

Four factors come together in production activity: beginning work in process inventory, direct materials used, direct labor used, and factory overhead used.

true

false

Beginning finished goods inventory plus cost of goods manufactured equals total finished goods available for sale.

true

false

The series of activities that add value to a company's products or services is called a value chain.

true

false

The triple bottom line focuses on three measures: financial, social, and environmental.

true

false

Just-in-time manufacturing (JIT) stresses building up large amounts of inventory in advance of customer orders.

true

false

Just-in-time manufacturing (JIT) is a system that acquires inventory and produces only when needed.

true

false

The raw materials inventory turnover ratio is raw materials purchased divided by the average raw materials inventory.

true

false

A manufacturer's cost of goods manufactured is the sum of direct materials used, direct labor, and factory overhead costs incurred in producing products.

true

false

Indirect materials are accounted for as factory overhead because they are manufacturing costs that cannot be cost-effectively traced to finished goods.

true

false

Direct labor refers to employees who directly convert materials to finished product.

true

false

Factory overhead is charged to expense as it is incurred because it is a period cost.

true

false

Prime costs consist of direct labor and factory overhead.

true

false

Prime costs consist of direct materials costs and direct labor costs.

true

false

The schedule of cost of goods manufactured is also known as a manufacturing statement.

true

false

Managerial accounting information:

Is used mainly by external users.

Involves gathering information about costs for planning and control decisions.

Is generally the only accounting information available to managers.

Can be used for control purposes but not for planning purposes.

Has little to do with controlling costs.

Managerial accounting is different from financial accounting in that:

Managerial accounting is more focused on the organization as a whole, while financial accounting is more focused on projects, processes, and divisions of the organization.

Managerial accounting never includes nonmonetary information.

Managerial accounting includes many projections and estimates whereas financial accounting has a minimum of predictions.

Managerial accounting is used extensively by investors, whereas financial accounting is used only by creditors.

Managerial accounting is structured and controlled by GAAP.

Flexibility of practice when applied to managerial accounting means that:

The information must be presented in electronic format so that it is easily changed.

Managers must be willing to accept the information as the accountants present it to them, rather than in the format they ask for.

Managerial accounting information must follow concepts and rules known as GAAP.

Managerial accounting systems provide internal information reflecting the needs of managers to analyze, plan, and control products and processes.

Managerial accounting systems must provide consistent and comparable financial statements across companies.

Which of the following items does *not* represent a difference between financial and managerial accounting?

Users of the information.

Flexibility of reporting.

Timeliness of information.

Focus of the information.

Inclusion of monetary information.

Which of the following items is *not* a management concept that was created to improve company performance?

Just-in-time manufacturing.

GAAP constraints and guidelines.

Total quality management.

Continuous improvement.

Customer orientation.

The process of setting goals and making plans to achieve them is known as:

Control.

Focus of information.

A GAAP system.

Planning.

Reporting.

Continuous improvement:

Encourages employees to maintain established business practices.

Strives to preserve acceptable levels of performance.

Rejects the notion of "good enough."

Is not applicable to most businesses.

Is possible only in service businesses.

The method that rejects the notion of “good enough” and challenges employees and managers to improve operations, is called:

Continuous improvement.

Customer orientation.

Just-in-time.

Theory of constraints.

Total quality measurement.

A management concept based on an understanding of the changing needs and wants of customers and aligning operations accordingly, is called:

Continuous improvement.

Customer orientation.

Just-in-time.

Theory of constraints.

Total quality management.

A system that acquires inventory and produces products only after it receives an order is called:

Continuous improvement.

Customer orientation.

Just-in-time manufacturing.

Theory of constraints.

Total quality management.

A management concept whose goal is to eliminate waste while “satisfying the customer” and “providing a positive return” to the company is called:

Continuous operations.

Customer orientation.

Just-in-time.

Theory of constraints.

Lean business model.

Which of the following is *not* a goal of a lean business model?

Eliminate waste.

Provide a positive return.

Continuous improvement.

Consistent production levels.

Satisfying the customer.

The process of monitoring and evaluating an organization’s activities and employees is known as:

Planning.

GAAP.

A short-term action plan.

Continuous improvement.

Control.

A company manufactures basketball hoops. Compute the total amount of conversion costs from the following costs.

Cost item

- a. Metal for rims, \$12,000
- b. Indirect materials, \$5,000
- c. Fiberglass backboards, \$14,000
- d. Insurance on factory, \$8,000
- e. Assembly worker wages, \$20,000
- f. Assembly supervisor salary, \$9,000
- g. Factory utilities, \$4,000
- h. Nets, \$5,000
- i. Assembly worker benefits, \$6,000

\$26,000.

\$46,000.

\$52,000.

\$33,000.

\$17,000.

Use the following information to compute the cost of direct materials used for the current year:

	Beginning of Year	End of Year
Inventories		
Raw materials inventory	\$ 12,000	\$ 15,000
Work in process inventory	24,000	18,000
Finished goods inventory	17,000	11,000
Activity during current year		
Raw materials purchased		\$ 247,000
Direct labor		188,000
Factory overhead		78,000
\$259,000.		
\$244,000.		
\$262,000.		
\$241,000.		
\$274,000.		

A direct cost is a cost that is:

Not able to be traced through the manufacturing process.

Both a product cost and a period cost.

Linked to a time period but not to specific products.

Cost-effectively traceable to a cost object.

Not cost-effectively traceable to a cost object.

A product, process, department, or customer to which costs are assigned is a(n):

Cost object.

Direct cost.

Indirect cost.

Direct materials cost.

Direct labor cost.

A classification of costs that determines whether a cost is expensed to the income statement or capitalized to inventory is:

Direct labor versus indirect labor.

Direct materials versus indirect materials.

Financial versus managerial.

Service versus manufacturing.

Product versus period.

Costs incurred from converting raw materials to finished goods are known as:

Prime costs.

Conversion costs.

Direct costs.

Direct materials costs.

Period costs.

Hawk Company manufactures skateboards. Which of the following costs would be classified as both a prime cost and a conversion cost?

Wood used to make the skateboard.

Wheels used on each skateboard.

Depreciation on equipment.

Wages paid to assembly workers.

Factory insurance.

Compute cost of goods sold using the following information:

Finished goods inventory, beginning	\$ 690,000
Work in process inventory, beginning	167,000
Work in process inventory, ending	144,600
Cost of goods manufactured	1,837,400
Finished goods inventory, ending	567,200
\$1,692,800.	
\$1,859,800.	
\$1,147,400.	
\$1,270,200.	
\$1,960,200.	

Compute cost of goods sold for a retailer using the following information:

Merchandise inventory, beginning	\$ 24,850
Merchandise inventory, ending	37,304
Cost of merchandise purchased	170,934
\$158,480.	
\$183,388.	
\$146,084.	
\$133,630.	
\$12,454.	

Which of the following is *not* a direct cost for a scooter manufacturer?

Office rent.

Wheels.

Handlebars.

Brakes.

Grip tape.

Which of the following is an indirect cost of manufacturing scooters?

Scooter assembly wages.

Wheels.

Supervisor salary.

Brakes.

Handlebars.

Flash Company produces lamps. Which of the following is *not* a direct cost?

Wages for assembly.

Electrical cord.

Factory rent.

Lamp shade.

Switch.

Period costs for a manufacturing company flow directly to:

The income statement as an expense.

Factory overhead.

The balance sheet as inventory.

Cost of goods sold on the income statement.

The current schedule of cost of goods manufactured.

For product costs associated with a product to be reported on the income statement:

The product must be transferred to Finished Goods Inventory.

The product must still be in Work in Process Inventory.

The product must be sold.

The product may be in any of the manufacturer's inventory accounts.

The company must expect to sell the product during the next twelve months.

Costs that are capitalized as inventory during completion of products are called:

Period costs.

Product costs.

General costs.

Administrative costs.

Selling expenses.

Nonproduction costs linked to a time period are called:

Period costs.

Product costs.

Direct materials costs.

Direct labor costs.

Capitalized costs.

Marshall Corporation incurred costs for materials and labor needed to manufacture its products. These costs are examples of:

Period costs.

Product costs.

General and administrative expenses.

Selling expenses.

Nonmanufacturing costs.

Product costs:

Are expensed as cost of goods sold when the product is sold.

Are expenditures identified more with a time period rather than with units of product.

Include selling and administrative expenses.

Are expensed on the income statement when incurred.

Are moved to the income statement for any unsold inventory at the end of the year.

The costs of direct materials, direct labor, and overhead of completed products ready for sale are known as:

Finished goods inventory.

Work in process inventory.

Raw materials inventory.

Cost of goods sold.

Factory supplies.

Materials a company acquires to use in making products are called:

Cost of goods sold.

Raw materials inventory.

Finished goods inventory.

Work in process inventory.

Conversion costs.

The costs of direct materials, direct labor, and overhead for partially completed products are known as:

Raw materials inventory.

Conversion costs.

Cost of goods sold.

Work in process inventory.

Finished goods inventory.

Which of the following is the correct formula for calculating raw materials inventory turnover for a manufacturer?

Raw materials purchased/Average raw materials inventory.

Average raw materials inventory/Raw materials used.

Raw materials used/Average raw materials inventory.

Ending raw materials/Raw materials used $\times 365$.

Raw materials used/Beginning raw materials inventory $\times 365$.

Which of the following is the correct formula for calculating days' sales in raw materials inventory for a manufacturer?

Raw materials purchased/Average raw materials inventory.

Average raw materials inventory/Raw materials used.

Raw materials used/Average raw materials inventory.

Ending raw materials inventory/Raw materials used $\times 365$.

Raw materials used/Beginning raw materials inventory $\times 365$.

Which of the following statements is correct concerning the days' sales in raw materials inventory ratio?

It measures the adequacy of raw materials inventory to meet production demands.

The ratio is not useful for a manufacturer.

It reveals how many times a company turns over its raw materials inventory in a period.

Companies usually prefer a high number of days' sales in raw materials inventory.

It is calculated by taking the Raw materials used/Average raw materials inventory.

The cost of workers who assist in, or supervise, the manufacturing process, not linked to specific units of product is called:

Unspecified labor.

Direct labor.

Indirect labor.

Basic labor.

Joint labor.

Which of the following is *not* a factory overhead cost?

Indirect labor costs.

Indirect materials costs.

Selling expenses.

Maintenance costs.

Factory rent.

Labor costs that are clearly associated with employees who directly convert materials to finished product are called:

Contracted labor.

Direct labor.

Indirect labor.

Finished labor.

All labor.

Manufacturing costs, other than direct materials and direct labor, that cannot be cost-effectively traced to finished goods are called:

Administrative expenses.

Period costs.

Prime costs.

Factory overhead.

Selling costs.

Materials that are used in manufacturing that cannot be cost-effectively traced to finished goods are called:

Secondary materials.

General materials.

Direct materials.

Indirect materials.

Materials inventory.

The salary paid to the assembly line supervisor would normally be classified as:

Direct labor.

Indirect labor.

A period cost.

A prime cost.

A general and administrative expense.

Which of the following items appears only in a *manufacturing* company's financial statements?

Cost of goods sold.

Cost of goods manufactured.

Inventory.

Gross profit.

Net income.

Which of the following costs is *not* included in factory overhead?

Indirect materials.

Indirect labor.

Depreciation of manufacturing equipment.

Repairs of factory equipment.

Direct materials.

Which of the following should *not* be included in direct materials costs for a bike manufacturer?

Tires.

Machine lubrication oil.

Seats.

Pedals.

Handlebars.

Materials that are crucial parts of a finished product are called:

Raw materials sold.

Chargeable materials.

Work in process.

Period costs.

Direct materials.

The three major costs of manufacturing a product are:

Marketing, selling, and administrative costs.

Indirect labor, indirect materials, and factory overhead.

Direct materials, direct labor, and factory overhead.

Product costs, period costs, and factory overhead.

General, selling, and administrative costs.

Which of the following costs would *not* be classified as factory overhead?

Factory utilities.

Insurance on factory building.

Wages of the factory janitor.

Rubber for the soles of shoes produced.

Depreciation on factory equipment.

A manufacturer's total cost of direct materials, direct labor, and factory overhead for finished products makes up:

Ending raw materials inventory.

Total manufacturing costs.

Ending work in process inventory.

Cost of goods manufactured.

Sales.

A company manufactures bicycles. Compute the total amount of factory overhead from the following costs.

Cost item

- a. Factory maintenance salary, \$9,000
- b. Assembly worker wages, \$25,000
- c. Office staff salaries, \$20,000
- d. Depreciation on factory equipment, \$10,000
- e. Indirect materials costs, \$5,000
- f. Office insurance, \$1,000
- g. Direct materials costs, \$6,000
- h. Factory rent, \$8,000
- i. Property taxes on factory, \$4,000

\$47,000.

\$56,000.

\$37,000.

\$36,000.

\$32,000.

Which one of the following items is *not* a manufacturing cost?

Direct materials.

Factory overhead.

General and administrative expenses.

Direct labor.

Conversion cost.

A company manufactures motorcycles. Compute the total amount of direct materials costs from the following costs.

Cost item

- a. Tires, \$10,000
- b. Motorcycle seats, \$17,000
- c. Handlebars, \$6,000
- d. Factory accounting, \$10,000
- e. Factory equipment depreciation, \$5,000
- f. Assembly worker wages, \$15,000
- g. Factory rent, \$60,000
- h. Assembly worker benefits, \$5,000
- i. Bike frames, \$14,000

\$47,000.

\$67,000.

\$62,000.

\$52,000.

\$107,000.

A company manufactures skateboards. Compute the total amount of product costs from the following costs.

Cost item

- a. Wheels, \$15,000
- b. Wooden boards, \$22,000
- c. Advertising costs, \$5,000
- d. Insurance on factory, \$6,000
- e. Factory equipment depreciation, \$8,000
- f. Assembly worker wages, \$11,000
- g. Salesperson salaries, \$16,000
- h. Office manager's salary, \$7,000
- i. Factory utilities, \$3,000

\$61,000.

\$65,000.

\$70,000.

\$81,000.

\$59,000.

A company manufactures basketball hoops. Compute the total amount of prime costs from the following costs.

Cost item

- a. Metal for rims, \$12,000
- b. Indirect materials, \$5,000
- c. Fiberglass backboards, \$14,000
- d. Insurance on factory, \$8,000
- e. Assembly worker wages, \$20,000
- f. Assembly supervisor salary, \$9,000
- g. Factory utilities, \$4,000
- h. Nets, \$5,000

\$54,000.

\$60,000.

\$64,000.

\$45,000.

\$51,000.

A manufacturing company has a beginning finished goods inventory of \$15,500, raw material purchases of \$18,900, cost of goods manufactured of \$34,300, and an ending finished goods inventory of \$18,700. The cost of goods sold for this company is:

\$29,400.

\$34,300.

\$31,100.

\$49,800.

\$22,100.

A manufacturing company has a beginning finished goods inventory of \$14,600, raw material purchases of \$18,000, cost of goods manufactured of \$32,500, and an ending finished goods inventory of \$17,800. The cost of goods sold for this company is:

\$21,200.

\$29,300.

\$32,500.

\$47,100.

\$27,600.

A manufacturing company has a beginning finished goods inventory of \$28,500, cost of goods manufactured of \$58,700, and an ending finished goods inventory of \$27,800. The cost of goods sold for this company is:

\$115,000.

\$58,000.

\$2,400.

\$86,500.

\$59,400.

A manufacturing company has a beginning finished goods inventory of \$28,300, cost of goods manufactured of \$58,500, and an ending finished goods inventory of \$27,600. The cost of goods sold for this company is:

\$86,800.

\$57,800.

\$2,600.

\$86,100.

\$59,200.

Romeo Corporation reports the following for the year:

Finished goods inventory, January 1	\$ 4,100
Finished goods inventory, December 31	4,900
Total cost of goods sold	16,000

The cost of goods manufactured for the year is:

\$11,900.

\$11,100.

\$20,900.

\$20,100.

\$16,800.

Romeo Corporation reports the following for the year:

Finished goods inventory, January 1	\$ 3,200
Finished goods inventory, December 31	4,000
Total cost of goods sold	14,200

The cost of goods manufactured for the year is:

\$21,400.

\$11,000.

\$15,000.

\$17,400.

\$10,200.

Mustang Corporation reports the following for the month of April:

Finished goods inventory, April 1	\$ 31,700
Finished goods inventory, April 30	25,900
Total cost of goods manufactured	120,600

The cost of goods sold for April is:

\$175,600.

\$114,800.

\$63,000.

\$126,400.

\$152,300.

Mustang Corporation reports the following for the month of April:

Finished goods inventory, April 1	\$ 30,200
Finished goods inventory, April 30	24,600
Total cost of goods manufactured	114,500

The cost of goods sold for April is:

\$169,300.

\$108,900.

\$59,700.

\$120,100.

\$144,700.

A company's prime costs total \$5,200,000 and its conversion costs total \$9,200,000. If direct materials are \$2,100,000 and factory overhead is \$6,100,000, then direct labor is:

\$4,000,000.

\$18,400,000.

\$3,100,000.

\$1,000,000.

\$5,200,000.

A company's prime costs total \$3,000,000 and its conversion costs total \$7,000,000. If direct materials are \$1,000,000 and factory overhead is \$5,000,000, then direct labor is:

\$4,000,000.

\$6,000,000.

\$2,000,000.

\$1,000,000.

\$3,000,000.

Craigmont Company's direct materials costs are \$5,000,000, its direct labor costs total \$8,800,000, and its factory overhead costs total \$6,800,000. Its prime costs total:

\$13,800,000.

\$11,800,000.

\$15,600,000.

\$7,000,000.

\$20,600,000.

Craigmont Company's direct materials costs are \$3,000,000, its direct labor costs total \$7,000,000, and its factory overhead costs total \$5,000,000. Its prime costs total:

\$10,000,000.

\$8,000,000.

\$12,000,000.

\$5,000,000.

\$15,000,000.

Craigmont Company's direct materials costs are \$4,200,000, its direct labor costs total \$8,080,000, and its factory overhead costs total \$6,080,000. Its conversion costs total:

\$12,280,000.

\$10,280,000.

\$14,160,000.

\$6,200,000.

\$18,360,000.

Craigmont Company's direct materials costs are \$3,000,000, its direct labor costs total \$7,000,000, and its factory overhead costs total \$5,000,000. Its conversion costs total:

\$10,000,000.

\$8,000,000.

\$12,000,000.

\$5,000,000.

\$15,000,000.

A company manufactures lawnmowers. Compute the total amount of period costs from the following costs.

Cost item

- a. Wheels, \$25,000
- b. Lawnmower frames, \$50,000
- c. Advertising costs, \$10,000
- d. Delivery costs, \$16,000
- e. Office manager's salary, \$7,000
- f. Assembly worker wages, \$15,000
- g. Factory utilities, \$7,500
- h. Office accounting, \$11,000
- i. Factory equipment depreciation, \$3,000

\$40,500.

\$44,000.

\$47,000.

\$51,500.

\$54,500.

The following information relates to the manufacturing operations of the JNR Company for the year:

	Beginning	Ending
Raw materials inventory	\$ 54,000	\$ 57,000
Finished goods	65,000	57,000

The raw materials used in manufacturing during the year totaled \$115,000. Raw materials purchased during the year amount to:

\$104,000.

\$115,000.

\$118,000.

\$123,000.

\$112,000.

The following information relates to the manufacturing operations of the JNR Company for the year:

	Beginning	Ending
Raw materials inventory	\$ 57,000	\$ 60,000
Finished goods	68,000	60,000

The raw materials used in manufacturing during the year totaled \$118,000. Raw materials purchased during the year amount to:

\$107,000.

\$115,000.

\$118,000.

\$121,000.

\$126,000.

The following information relates to the manufacturing operations of the Abbra Publishing Company for the year:

	Beginning	Ending
Raw materials inventory	\$ 556,000	\$ 619,000
The raw materials used in manufacturing during the year totaled \$1,063,000. Raw materials purchased during the year amount to:		
\$1,000,000.		
\$937,000.		
\$1,619,000.		
\$444,000.		
\$1,126,000.		

The following information relates to the manufacturing operations of the Abbra Publishing Company for the year:

	Beginning	Ending
Raw materials inventory	\$ 547,000	\$ 610,000
The raw materials used in manufacturing during the year totaled \$1,018,000. Raw materials purchased during the year amount to:		
\$955,000.		
\$892,000.		
\$1,565,000.		
\$408,000.		
\$1,081,000.		

Comet Company accumulated the following account information for the year:

Direct materials cost	\$ 5,300
Indirect materials cost	1,300
Indirect labor cost	4,300
Maintenance of factory equipment	2,100
Direct labor cost	6,300
Using the above information, total factory overhead costs equal:	
\$7,700.	

\$14,000.

\$13,700.

\$6,400.

\$10,900.

Comet Company accumulated the following account information for the year:

Direct materials cost	\$ 6,000
Indirect materials cost	2,000
Indirect labor cost	5,000
Maintenance of factory equipment	2,800
Direct labor cost	7,000

Using the above information, total factory overhead costs equal:

\$9,800.

\$16,800.

\$15,800.

\$13,000.

\$7,800.

Asteroid Industries accumulated the following cost information for the year:

Salesperson salaries	\$ 15,100
Indirect materials	3,100
Indirect labor	7,600
Factory depreciation	11,900
Direct labor	36,100

Using the above information, total factory overhead costs equal:

\$73,800.

\$22,600.

\$11,900.

\$15,000.

\$51,200.

Asteroid Industries accumulated the following cost information for the year:

Salesperson salaries	\$ 16,000
Indirect materials	4,000
Indirect labor	8,500
Factory depreciation	12,800
Direct labor	37,000

Using the above information, total factory overhead costs equal:
\$78,300.

\$25,300.

\$12,800.

\$16,800.

\$53,000.

The following information is available for the year ended December 31:

Beginning raw materials inventory	\$ 4,200
Raw materials purchases	5,700
Ending raw materials inventory	4,700
Direct labor expense	2,700

The amount of direct materials used in production for the year is:
\$9,900.

\$8,500.

\$5,700.

\$5,800.

\$5,200.

The following information is available for the year ended December 31:

Beginning raw materials inventory	\$ 21,500
Raw materials purchases	74,000
Ending raw materials inventory	23,000
Direct labor expense	2,400

The amount of direct materials used in production for the year is:
\$76,400.

\$95,500.

\$72,500.

\$74,900.

\$70,100.

The following information is available for the year ended December 31:

Beginning raw materials inventory	\$ 12,100
Raw materials purchases	88,200
Ending raw materials inventory	11,500
Advertising expense	790

The amount of raw materials used in production for the year is:
\$89,590.

\$76,700.

\$88,990.

\$87,600.

\$88,800.

The following information is available for the year ended December 31:

Beginning raw materials inventory	\$ 11,000
Raw materials purchases	86,000
Ending raw materials inventory	10,400
Advertising expense	900

The amount of direct materials used in production for the year is:
\$87,500.

\$85,700.

\$86,900.

\$85,400.

\$86,600.

A report that lists the types and amounts of costs incurred in manufacturing is a:

Manufacturer balance sheet.

Manufacturer period cost statement.

Schedule of cost of goods manufactured.

Sales journal.

Balanced scorecard.

If beginning and ending work in process inventories are \$6,200 and \$16,200, respectively, and cost of goods manufactured is \$182,000, what is the total manufacturing cost for the period?

\$175,800.

\$165,800.

\$172,000.

\$188,200.

\$192,000.

If beginning and ending work in process inventories are \$5,000 and \$15,000, respectively, and cost of goods manufactured is \$170,000, what is the total manufacturing cost for the period?

\$180,000.

\$155,000.

\$160,000.

\$175,000.

\$165,000.

Use the cost information below for Ruiz Incorporated to determine the total manufacturing costs incurred during the year:

Work in Process, beginning	\$ 53,800
Work in Process, ending	38,900
Direct materials used	\$ 14,400
Total factory overhead	7,400
Direct labor used	28,400

\$104,000.

\$50,200.

\$14,900.

\$96,600.

\$65,100.

Use the cost information below for Ruiz Incorporated to determine the total manufacturing costs incurred during the year:

Work in Process, beginning	\$ 50,000
Work in Process, ending	37,000
Direct materials used	\$ 12,500
Total factory overhead	5,500
Direct labor used	26,500

\$13,000.

\$44,500.

\$57,500.

\$94,500.

\$89,000.

Use the cost information below for Ruiz, Incorporated to determine cost of goods manufactured for the year:

Work in Process, beginning	\$ 52,800
Work in Process, ending	38,400
Total factory overhead	6,900
Direct materials used	13,900
Direct labor used	27,900

\$63,100.

\$56,200.

\$101,500.

\$48,700.

\$14,400.

Use the cost information below for Ruiz, Incorporated to determine cost of goods manufactured for the year:

Work in Process, beginning	\$ 50,000
Work in Process, ending	37,000
Total factory overhead	5,500
Direct materials used	12,500
Direct labor used	26,500

\$13,000.

\$44,500.

\$57,500.

\$94,500.

\$52,000.

Use the cost information below for Laurels Company to determine the total manufacturing costs during the current year:

Direct materials used	\$ 6,300
Direct labor used	8,300
Total factory overhead	6,400
Work in process inventory, beginning	4,300
Work in process inventory, ending	6,600
\$17,500.	
\$18,700.	
\$23,300.	
\$21,000.	
\$14,600.	

Use the cost information below for Laurels Company to determine the total manufacturing costs during the current year:

Direct materials used	\$ 5,000
Direct labor used	7,000
Total factory overhead	5,100
Work in process inventory, beginning	3,000
Work in process inventory, ending	4,000
\$12,000.	
\$16,100.	
\$17,100.	
\$18,100.	
\$13,600.	

Use the cost information below for Laurels Company to determine the cost of goods manufactured during the current year:

Direct materials used	\$ 6,800
Direct labor	8,800
Total factory overhead	6,900
Work in process inventory, beginning	4,800
Work in process inventory, ending	7,600
\$15,600.	
\$25,300.	
\$19,000.	
\$22,500.	
\$19,700.	

Use the cost information below for Laurels Company to determine the cost of goods manufactured during the current year:

Direct materials used	\$ 5,000
Direct labor	7,000
Total factory overhead	5,100
Work in process inventory, beginning	3,000
Work in process inventory, ending	4,000
\$16,100.	
\$12,000.	
\$17,100.	
\$18,100.	
\$13,600.	

Use the cost information below for Sundar Company to determine the total manufacturing costs added during the current year:

Direct materials used	\$ 20,200
Direct labor used	25,700
Factory overhead	49,100
Work in process inventory, beginning	11,900
Work in process inventory, ending	12,500
\$95,000.	
\$45,900.	
\$94,400.	
\$45,300.	
\$74,200.	

Use the cost information below for Sundar Company to determine the total manufacturing costs added during the current year:

Direct materials used	\$ 19,000
Direct labor used	24,500
Factory overhead	55,100
Work in process inventory, beginning	10,700
Work in process inventory, ending	11,300
\$98,600.	
\$43,500.	
\$98,000.	
\$42,900.	
\$79,000.	

Use the cost information below for Sundar Company to determine the cost of goods manufactured during the current year:

Direct materials used	\$ 20,000
Direct labor used	25,500
Factory overhead	50,100
Work in process inventory, beginning	11,700
Work in process inventory, ending	12,300
\$95,600.	
\$45,500.	
\$95,000.	
\$44,900.	
\$75,000.	

Use the cost information below for Sundar Company to determine the cost of goods manufactured during the current year:

Direct materials used	\$ 19,000
Direct labor used	24,500
Factory overhead	55,100
Work in process inventory, beginning	10,700
Work in process inventory, ending	11,300
\$98,600.	
\$43,500.	
\$98,000.	
\$42,900.	
\$79,000.	

Total manufacturing costs incurred during the year do *not* include:

Direct materials used.

Factory utilities.

Shipping costs.

Direct labor.

Depreciation of factory machinery.

Which of the following accounts would not appear on a schedule of cost of goods manufactured?

Wages payable.

Raw materials inventory.

Depreciation on factory equipment.

Indirect labor.

Factory utilities.

Which of the following is the correct formula for calculating cost of goods manufactured?

Direct materials used + direct labor + factory overhead + beginning work in process + ending work in process.

Direct materials used + direct labor + factory overhead + beginning work in process – ending work in process.

Direct materials used + direct labor + factory overhead – beginning work in process + ending work in process.

Direct materials used + direct labor + factory overhead – beginning work in process – ending work in process.

Direct materials used + direct labor – factory overhead + beginning work in process – ending work in process.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 16,600
Raw material purchases	61,400
Ending raw materials inventory	18,000
Beginning work in process inventory	23,800
Ending work in process inventory	29,400
Direct labor	44,200
Total factory overhead	31,400

All raw materials used were direct materials. Healey Company's direct materials used for the year is:

\$61,400.

\$78,000.

\$60,000.

\$62,800.

\$79,400.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 15,200
Raw material purchases	60,000
Ending raw materials inventory	16,600
Beginning work in process inventory	22,400
Ending work in process inventory	28,000
Direct labor	42,800
Total factory overhead	30,000

All raw materials used were direct materials. Healey Company's direct materials used for the year is:

\$58,600.

\$60,000.

\$75,200.

\$76,600.

\$61,400.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 14,400
Raw material purchases	52,000
Ending raw materials inventory	15,800
Beginning work in process inventory	21,600
Ending work in process inventory	27,200
Direct labor	38,800
Total factory overhead	29,200

All raw materials used were direct materials. Healey Company's total manufacturing costs for the year are:

\$113,000.

\$121,400.

\$118,600.

\$124,200.

\$128,600.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 15,200
Raw material purchases	60,000
Ending raw materials inventory	16,600
Beginning work in process inventory	22,400
Ending work in process inventory	28,000
Direct labor	42,800
Total factory overhead	30,000

All raw materials used were direct materials. Healey Company's total manufacturing costs for the year are:

\$125,800.

\$128,600.

\$131,400.

\$137,000.

\$139,000.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 20,200
Raw material purchases	65,000
Ending raw materials inventory	21,600
Beginning work in process inventory	27,400
Ending work in process inventory	33,000
Direct labor	47,800
Total factory overhead	35,000

All raw materials used were direct materials. Healey Company's cost of goods manufactured for the year is:

\$143,600.

\$146,400.

\$152,000.

\$149,000.

\$140,800.

Current information for the Healey Company follows:

Beginning raw materials inventory	\$ 15,200
Raw material purchases	60,000
Ending raw materials inventory	16,600
Beginning work in process inventory	22,400
Ending work in process inventory	28,000
Direct labor	42,800
Total factory overhead	30,000

All raw materials used were direct materials. Healey Company's cost of goods manufactured for the year is:

\$125,800.

\$128,600.

\$131,400.

\$137,000.

\$139,000.

Xia Company manufactures a single product. All raw materials used were direct materials.
Current information for company follows:

Beginning raw materials inventory	\$ 25,000
Ending raw materials inventory	28,000
Raw material purchases	102,000
Beginning work in process inventory	37,000
Ending work in process inventory	47,000
Direct labor	127,000
Total factory overhead	102,000
Beginning finished goods inventory	77,000
Ending finished goods inventory	57,000

The company's cost of direct materials used, cost of goods manufactured and cost of goods sold are:

	Cost of Materials Used	Cost of Goods Manufactured	Cost of Goods Sold
Option A	\$102,000	\$318,000	\$298,000
Option B	\$105,000	\$318,000	\$338,000
Option C	\$99,000	\$338,000	\$298,000
Option D	\$99,000	\$318,000	\$338,000
Option E	\$105,000	\$338,000	\$318,000

Option A

Option B

Option C

Option D

Option E

Xia Company manufactures a single product. All raw materials used were direct materials.
Current information for company follows:

Beginning raw materials inventory	\$ 8,000
Ending raw materials inventory	11,000
Raw material purchases	85,000
Beginning work in process inventory	20,000
Ending work in process inventory	30,000
Direct labor	110,000
Total factory overhead	85,000
Beginning finished goods inventory	60,000
Ending finished goods inventory	40,000

The company's cost of direct materials used, cost of goods manufactured and cost of goods sold are:

	Cost of Materials Used	Cost of Goods Manufactured	Cost of Goods Sold
Option A	\$85,000	\$267,000	\$247,000
Option B	\$88,000	\$267,000	\$287,000
Option C	\$82,000	\$287,000	\$247,000
Option D	\$82,000	\$267,000	\$287,000
Option E	\$88,000	\$287,000	\$267,000

Option A

Option B

Option C

Option D

Option E

Richards Company manufactures a single product. All raw materials used were direct materials. Current information for the company follows:

Beginning raw materials inventory	\$ 15,000
Ending raw materials inventory	17,000
Raw material purchases	95,000
Beginning work in process inventory	45,000
Ending work in process inventory	30,000
Direct labor	135,000
Total factory overhead	65,000
Beginning finished goods inventory	60,000
Ending finished goods inventory	50,000

The company's cost of direct materials used, cost of goods manufactured and cost of goods sold are:

	Cost of Materials Used	Cost of Goods Manufactured	Cost of Goods Sold
Option A	\$95,000	\$308,000	\$298,000
Option B	\$97,000	\$308,000	\$318,000
Option C	\$93,000	\$278,000	\$298,000
Option D	\$93,000	\$308,000	\$318,000
Option E	\$97,000	\$278,000	\$308,000

Option A

Option B

Option C

Option D

Option E

Richards Company manufactures a single product. All raw materials used were direct materials. Current information for the company follows:

Beginning raw materials inventory	\$ 10,000
Ending raw materials inventory	12,000
Raw material purchases	90,000
Beginning work in process inventory	40,000
Ending work in process inventory	25,000
Direct labor	130,000
Total factory overhead	60,000
Beginning finished goods inventory	55,000
Ending finished goods inventory	45,000

The company's cost of direct materials used, cost of goods manufactured and cost of goods sold are:

	Cost of Materials Used	Cost of Goods Manufactured	Cost of Goods Sold
Option A	\$90,000	\$293,000	\$283,000
Option B	\$92,000	\$293,000	\$303,000
Option C	\$88,000	\$263,000	\$283,000
Option D	\$88,000	\$293,000	\$303,000
Option E	\$92,000	\$263,000	\$293,000

Option A

Option B

Option C

Option D

Option E

Current information for the Stellar Corporation follows:

Beginning work in process inventory	\$ 26,900
Ending work in process inventory	28,300
Direct materials used	156,000
Direct labor used	94,000
Total factory overhead	72,100

Stellar Corporation's cost of goods manufactured for the year is:
\$322,100.

\$323,500.

\$349,000.

\$293,800.

\$320,700.

Current information for the Stellar Corporation follows:

Beginning work in process inventory	\$ 17,900
Ending work in process inventory	19,300
Direct materials used	147,000
Direct labor used	85,000
Total factory overhead	63,100

Stellar Corporation's cost of goods manufactured for the year is:

\$295,100.

\$296,500.

\$313,000.

\$275,800.

\$293,700.

Use the following data to determine the cost of goods manufactured:

Beginning finished goods inventory	\$ 12,300
Direct labor used	32,100
Beginning work in process inventory	8,700
General and administrative expenses	15,000
Direct materials used	42,000
Ending work in process inventory	10,500
Indirect labor	7,800
Ending finished goods inventory	11,000
Indirect materials	15,000
Depreciation—factory equipment	9,000

\$107,700.

\$109,000.

\$104,100.

\$122,700.

\$119,100.

Use the following data to determine the cost of goods manufactured:

Beginning finished goods inventory	\$ 10,800
Direct labor used	30,600
Beginning work in process inventory	7,200
General and administrative expenses	13,500
Direct materials used	40,500
Ending work in process inventory	9,000
Indirect labor	6,300
Ending finished goods inventory	9,500
Indirect materials	13,500
Depreciation—factory equipment	7,500

\$102,000.

\$110,100.

\$96,600.

\$113,700.

\$100,200.

Use the following data to compute total factory overhead costs for the month:

Sales commissions	\$ 11,500
Direct labor	40,300
Indirect materials	15,900
Factory utilities	9,700
Indirect labor	14,200
Direct materials	41,200
Corporate office salaries	43,200
Depreciation—factory equipment	8,200

\$141,000.

\$129,500.

\$48,000.

\$88,300.

\$54,700.

Use the following data to compute total factory overhead costs for the month:

Sales commissions	\$ 10,800
Direct labor	39,600
Indirect materials	15,200
Factory utilities	9,000
Indirect labor	13,500
Direct materials	40,500
Corporate office salaries	42,500
Depreciation—factory equipment	7,500
\$141,100.	

\$125,300.

\$45,200.

\$84,800.

\$58,300.

Use the following data to compute total manufacturing costs for the month:

Sales commissions	\$ 12,100
Direct labor	40,900
Indirect materials	16,500
Factory utilities	10,300
Indirect labor	14,800
Depreciation—office equipment	6,300
Direct materials	41,800
Corporate office salaries	43,800
Depreciation—factory equipment	8,800
\$151,500.	

\$133,100.

\$50,400.

\$91,300.

\$62,200.

Use the following data to compute total manufacturing costs for the month.

Sales commissions	\$ 10,800
Direct labor	39,600
Indirect materials	15,200
Factory utilities	9,000
Indirect labor	13,500
Depreciation—office	5,000
Direct materials	40,500
Corporate office salaries	42,500
Depreciation—factory equipment	7,500

\$141,100.

\$125,300.

\$45,200.

\$84,800.

\$58,300.

Use the following information to compute the cost of goods manufactured. Assume all raw materials used were direct materials.

Beginning raw materials inventory	\$ 5,800
Ending raw materials inventory	4,300
Direct labor	12,550
Raw material purchases	7,700
Depreciation on factory equipment	6,800
Factory repairs and maintenance	3,600
Beginning finished goods inventory	10,500
Ending finished goods inventory	9,200
Beginning work in process inventory	6,000
Ending work in process inventory	6,600

\$32,050.

\$38,150.

\$32,150.

\$32,750.

\$31,550.

Use the following information to compute the cost of goods manufactured. Assume all raw materials used were direct materials.

Beginning raw materials inventory	\$ 5,500
Ending raw materials inventory	4,000
Direct labor	12,250
Raw material purchases	7,400
Depreciation on factory equipment	6,500
Factory repairs and maintenance	3,300
Beginning finished goods inventory	10,200
Ending finished goods inventory	8,900
Beginning work in process inventory	5,700
Ending work in process inventory	6,300

\$36,650.

\$30,950.

\$30,650.

\$30,350.

\$31,650.

Use the following data to calculate the cost of goods sold for the period:

Beginning Raw Materials Inventory	\$ 30,300
Ending Raw Materials Inventory	70,300
Beginning Work in Process Inventory	40,300
Ending Work in Process Inventory	46,300
Beginning Finished Goods Inventory	72,300
Ending Finished Goods Inventory	68,300
Cost of Goods Manufactured	246,300

\$246,300.

\$258,300.

\$290,300.

\$250,300.

\$242,300.

Use the following data to calculate the cost of goods sold for the period:

Beginning Raw Materials Inventory	\$ 30,000
Ending Raw Materials Inventory	70,000
Beginning Work in Process Inventory	40,000
Ending Work in Process Inventory	46,000
Beginning Finished Goods Inventory	72,000
Ending Finished Goods Inventory	68,000
Cost of Goods Manufactured	246,000

\$250,000.

\$290,000.

\$242,000.

\$258,000.

\$246,000.

Use the following information to calculate the cost of goods sold for the period:

Beginning Finished Goods Inventory	\$ 32,500
Ending Finished Goods Inventory	31,000
Cost of Goods Manufactured	139,800

\$203,300.

\$139,800.

\$138,300.

\$172,300.

\$141,300.

Use the following information to calculate cost of goods sold for the period:

Beginning Finished Goods Inventory	\$ 19,500
Ending Finished Goods Inventory	18,000
Cost of Goods Manufactured	126,800

\$164,300.

\$126,800.

\$125,300.

\$146,300.

\$128,300.

Using the information below, calculate the cost of goods manufactured for the period:

Beginning Raw Materials Inventory	\$ 36,000
Ending Raw Materials Inventory	27,600
Beginning Work in Process Inventory	66,000
Ending Work in Process Inventory	75,000
Beginning Finished Goods Inventory	96,500
Ending Finished Goods Inventory	78,000
Cost of Goods Sold	551,000
Sales Revenues	1,265,000
Selling Expenses	243,000

\$569,500.

\$541,500.

\$560,000.

\$532,500.

\$576,200.

Using the information below, calculate the cost of goods manufactured for the period:

Beginning Raw Materials Inventory	\$ 25,000
Ending Raw Materials Inventory	30,000
Beginning Work in Process Inventory	55,000
Ending Work in Process Inventory	64,000
Beginning Finished Goods Inventory	80,000
Ending Finished Goods Inventory	67,000
Cost of Goods Sold	540,000
Sales	1,254,000
Selling Expenses	232,000
\$553,000.	
\$536,000.	
\$549,000.	
\$527,000.	
\$525,000.	

Using the information below, calculate gross profit for the period:

Beginning Raw Materials Inventory	\$ 29,000
Ending Raw Materials Inventory	34,000
Beginning Work in Process Inventory	63,000
Ending Work in Process Inventory	72,000
Beginning Finished Goods Inventory	88,000
Ending Finished Goods Inventory	75,000
Cost of Goods Sold	580,000
Sales	1,334,000
Selling Expenses	272,000
\$754,000.	
\$482,000.	
\$1,062,000.	
\$121,000.	
\$767,000.	

Using the information below, calculate gross profit for the period:

Beginning Raw Materials Inventory	\$ 25,000
Ending Raw Materials Inventory	30,000
Beginning Work in Process Inventory	55,000
Ending Work in Process Inventory	64,000
Beginning Finished Goods Inventory	80,000
Ending Finished Goods Inventory	67,000
Cost of Goods Sold	540,000
Sales	1,254,000
Selling Expenses	232,000
\$714,000.	
\$482,000.	
\$1,022,000.	
\$187,000.	
\$727,000.	

Using the information below, calculate cost of goods sold for the period:

Sales	\$
	1,319,000
Selling expenses	254,000
Finished Goods Inventory, beginning	51,000
Finished Goods Inventory, ending	56,000
Cost of goods manufactured	555,000
\$804,000.	
\$799,000.	
\$515,000.	
\$550,000.	
\$403,000.	

Using the information below, calculate cost of goods sold for the period:

Sales	\$ 1,304,000
Selling expenses	239,000
Finished Goods Inventory, beginning	36,000
Finished Goods Inventory, ending	41,000
Cost of goods manufactured	540,000
\$774,000.	
\$769,000.	
\$530,000.	
\$535,000.	
\$448,000.	

Using the information below, calculate gross profit for the period.

Sales	\$ 1,334,000
Selling expenses	242,000
Finished Goods Inventory, beginning	36,300
Finished Goods Inventory, ending	41,300
Cost of goods manufactured	555,000
\$789,000.	
\$784,000.	
\$545,000.	
\$550,000.	
\$459,400.	

Using the information below, calculate gross profit for the period:

Sales	\$ 1,304,000
Selling expenses	239,000
Finished Goods Inventory, beginning	36,000
Finished Goods Inventory, ending	41,000
Cost of goods manufactured	540,000
\$774,000.	
\$769,000.	

\$530,000.

\$535,000.

\$448,000.

Using the information below, calculate net income for the period:

Sales	\$
	1,316,000
Selling expenses	251,000
Finished Goods Inventory, beginning	48,000
Finished Goods Inventory, ending	53,000
Cost of goods manufactured	552,000

\$798,000.

\$793,000.

\$518,000.

\$547,000.

\$412,000.

Using the information below, calculate net income for the period:

Sales	\$ 1,304,000
Selling expenses	239,000
Finished Goods Inventory, beginning	36,000
Finished Goods Inventory, ending	41,000
Cost of goods manufactured	540,000

\$774,000.

\$769,000.

\$530,000.

\$535,000.

\$448,000.

An internal control system consists of the policies and procedures managers use to do all of the following *except*:

Uphold company policies.

Promote efficiency.

Ensure reliable accounting.

Determine pricing for products.

Protect assets.

Which of the following is *not* one of the four parts that make up a schedule of cost of goods manufactured?

Direct materials.

Computation of gross profit.

Factory overhead.

Computation of cost of goods manufactured.

Direct labor.

Which of the following statements regarding manufacturing costs is *false*?

Direct materials costs can be cost-effectively traced to finished goods.

Indirect labor relates to labor costs that can be cost-effectively traced to finished goods.

Factory overhead includes all manufacturing costs that are not direct materials or direct labor.

Factory overhead costs cannot be cost-effectively traced to finished goods.

Indirect materials are materials used in manufacturing that cannot be cost-effectively traced to finished goods.

Using the information below, compute the raw materials inventory turnover:

Raw materials used	\$ 102,500
Beginning raw materials inventory	9,700
Ending raw materials inventory	12,400

10.15.

368.80.

9.28.

10.78.

8.27.

Using the information below, compute the raw materials inventory turnover:

Raw materials used	\$ 85,500
Beginning raw materials inventory	8,000
Ending raw materials inventory	9,000

11.02.

382.02.

10.06.

9.94.

9.50.

Using the information below, compute the days' sales in raw materials inventory:

Raw materials used	\$ 105,500
Beginning raw materials inventory	10,000
Ending raw materials inventory	13,000

10.04.

39.80.

9.17.

10.90.

44.98.

Using the information below, compute the days' sales in raw materials inventory:

Raw materials used	\$ 85,500
Beginning raw materials inventory	8,000
Ending raw materials inventory	9,000

11.02.

36.30.

10.06.

9.94.

38.42.

Using the information below, compute the raw materials inventory turnover:

Raw materials used	\$ 127,600
Beginning raw materials inventory	18,300
Ending raw materials inventory	20,500

6.97.

6.22.

52.30.

58.60.

6.58.

Using the information below, compute the raw materials inventory turnover:

Raw materials used	\$ 121,600
Beginning raw materials inventory	18,000
Ending raw materials inventory	20,200

6.76.

6.02.

54.03.

60.63.

6.37.

Using the information below, compute the days' sales in raw materials inventory:

Raw materials used	\$ 133,600
Beginning raw materials inventory	18,600
Ending raw materials inventory	20,800

7.18.

6.42.

50.80.

56.83.

6.78.

Using the information below, compute the days' sales in raw materials inventory:

Raw materials used	\$ 121,600
Beginning raw materials inventory	18,000
Ending raw materials inventory	20,200

6.76.

6.02.

60.63.

6.37.

54.03.

Just-in-time manufacturing techniques can be useful in _____ days' sales in raw materials inventory.

keeping constant.

changing upward.

adding to.

lowering.

increasing.

Which of the following statements is *true* regarding product and period costs?

Office salaries expense and factory maintenance are both product costs.

Office rent is a product cost and supervisors' salaries expense is a period cost.

Factory rent is a product cost and advertising expense is a period cost.

Delivery expense is a product cost and indirect materials is a period cost.

Sales commissions and indirect labor are both period costs.

A company's prime costs total \$4,536,000 and its conversion costs total \$5,540,000. If direct materials costs are \$2,044,000, calculate the overhead costs:

\$2,044,000.

\$3,048,000.

\$2,492,000.

\$3,496,000.

\$1,004,000.

A company's prime costs total \$4,500,000 and its conversion costs total \$5,500,000. If direct materials costs are \$2,000,000, calculate the overhead costs:

\$2,500,000.

\$3,500,000.

\$2,000,000.

\$1,000,000.

\$3,000,000.

If the cost of the beginning work in process inventory is \$85,200, costs of goods manufactured is \$970,000, direct materials cost is \$346,000, direct labor cost is \$226,000, and overhead cost is \$331,000, calculate the ending work in process inventory.

\$398,000.

\$67,000.

\$327,800.

\$152,200.

\$18,200.

If the cost of the beginning work in process inventory is \$60,000, costs of goods manufactured is \$890,000, direct materials cost is \$330,000, direct labor cost is \$210,000, and overhead cost is \$315,000, calculate the ending work in process inventory.

\$35,000.

\$25,000.

\$45,000.

\$350,000.

\$355,000.

If the cost of the beginning work in process inventory is \$69,000, direct materials cost is \$359,000, direct labor cost is \$225,000, and overhead cost is \$328,000, and the ending work in process inventory is \$64,000, calculate the cost of goods manufactured.

\$1,045,000.

\$589,000.

\$912,000.

\$917,000.

\$981,000.

If the cost of the beginning work in process inventory is \$60,000, direct materials cost is \$350,000, direct labor cost is \$216,000, and overhead cost is \$319,000, and the ending work in process inventory is \$55,000, calculate the cost of goods manufactured.

\$1,000,000.

\$571,000.

\$885,000.

\$890,000.

\$945,000.

Calculate the cost of goods manufactured using the following information:

Direct materials used	\$ 299,000
Direct labor	132,500
Total factory overhead	264,500
General and administrative expenses	86,000
Selling expenses	49,300
Work in Process inventory, beginning	119,000
Work in Process inventory, ending	126,400
Finished goods inventory, beginning	232,600
Finished goods inventory, ending	239,200

\$696,000.

\$682,000.

\$774,600.

\$688,600.

\$703,400.

Calculate the cost of goods manufactured using the following information:

Direct materials used	\$ 298,500
Direct labor	132,000
Total factory overhead	264,000
General and administrative expenses	85,500
Selling expenses	48,800
Work in Process inventory, beginning	118,500
Work in Process inventory, ending	125,900
Finished goods inventory, beginning	232,100
Finished goods inventory, ending	238,700

\$680,500.

\$701,900.

\$687,100.

\$674,600.

\$772,600.

Calculate the cost of goods sold using the following information:

Direct materials used	\$ 300,300
Direct labor	133,800
Total factory overhead	265,800
General and administrative expenses	87,300
Selling expenses	50,600
Work in Process inventory, beginning	120,300
Work in Process inventory, ending	127,700
Finished goods inventory, beginning	233,900
Finished goods inventory, ending	240,500

\$699,900.

\$707,300.

\$692,500.

\$685,900.

\$779,800.

Calculate the cost of goods sold using the following information:

Direct materials used	\$ 298,500
Direct labor	132,000
Total factory overhead	264,000
General and administrative expenses	85,500
Selling expenses	48,800
Work in Process inventory, beginning	118,500
Work in Process inventory, ending	125,900
Finished goods inventory, beginning	232,100
Finished goods inventory, ending	238,700
\$674,600.	
\$680,500.	
\$772,600.	
\$701,900.	
\$687,100.	

Answer Key

Test name: Ch1 Algorithmic_Management Accounting_8e

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