**Weighted-average method, assigning costs.** Bio Doc Corporation is a biotech company based in

Milpitas. It makes a cancer-treatment drug in a single processing department. Direct materials are added at

the start of the process. Conversion costs are added evenly during the process. Bio Doc uses the weighted-average

method of process costing. The following information for July 2011 is available.

**Physical Direct Conversion**

**Units Materials Costs**

Work in process, July 1 8,500a 8,500 1,700

Started during July 35,000

Completed and transferred out during July

33,000 33,000 33,000

Work in process, July 31 10,500b 10,500 6,300

aDegree of completion: direct materials, 100%; conversion costs, 20%.

bDegree of completion: direct materials, 100%; conversion costs, 60%.

**Total Costs for July 2008**

Work in process, beginning

Direct materials $63,100

Conversion costs 45,510 $108,610

Direct materials added during July 284,900

Conversion costs added during July 485,040

Total costs to account for $878,550

**1.** Calculate cost per equivalent unit for direct materials and conversion costs.

**2.** Summarize total costs to account for, and assign total costs to units completed (and transferred out)

and to units in ending work in process.

Do above problem using the FIFO method. Note that you first need to calculate the equivalent units of work **Required**

done in the current period (for direct materials and conversion costs) to complete beginning work in

process, to start and complete new units, and to produce ending work in process