

8. Equivalent units

In the first month's of operation, the manufacturing costs for Chen Company were as follows:

Direct materials used	\$45,500
Direct labor	72,600
Manufacturing overhead (controlling account)	105,600

During the month 10,000 units were completed, and 4,000 units were in process at the end of the month. The 4,000 units in process were 100% completed as to materials and 80% completed as to direct labor and overhead. Compute the following

- (a) Direct materials cost per equivalent unit: \$ _____
- (b) Equivalent full units of production for direct labor and manufacturing overhead: _____
- (c) Direct labor cost per equivalent unit: \$ _____
- (d) Manufacturing overhead cost per equivalent unit: \$ _____

Computations

Use the following to answer questions 9-11:

The following information regarding Juno, Inc. is available:

Sales	\$1,000,000
Cost of goods sold	600,000
Operating expenses	300,000
Operating income	100,000
Average invested capital	2,000,000

9. Refer to the information above. What is the return on investment for Juno, Inc?
- A) 4%.
 - B) 5%.
 - C) 10%.
 - D) 20%.