

Required:

During the month, 59,625 units of product were manufactured and 54,000 units of product were sold. On May 1, Richards, Inc., carried no inventories. On May 31, there were no inventories other than finished goods.

- a. Calculate the cost of goods manufactured during May and the average cost per unit of product manufactured.
- b. Calculate the cost of goods sold during May.
- c. Calculate the difference between cost of goods manufactured and cost of goods sold. How will this amount be reported in the financial statements?
- d. (Optional) Prepare a traditional (absorption) income statement for Richards, Inc., for the month of May. Assume that sales for the month were \$4,896,000 and the company's effective income tax rate was 35%.

* → A-C only
Problem 13.20
 LO 4, 5, 7
 excel

Cost of goods manufactured, cost of goods sold, and income statement
 Gravois, Inc., incurred the following costs during June:

Selling expenses	\$158,375
Direct labor	283,140
Interest expense	41,065
Manufacturing overhead, actual	204,750
Raw materials used	460,980
Administrative expenses	123,000

Required:

During the month, 19,500 units of product were manufactured and 11,000 units of product were sold. On June 1, Gravois, Inc., carried no inventories. On June 30, there were no inventories for raw materials or work in process.

- a. Calculate the cost of goods manufactured during June and the average cost per unit of product manufactured.
- b. Calculate the cost of goods sold during June.
- c. Calculate the difference between cost of goods manufactured and cost of goods sold. How will this amount be reported in the financial statements?
- d. (Optional) Prepare a traditional (absorption) income statement for Gravois, Inc., for the month of June. Assume that sales for the month were \$1,035,000 and the company's effective income tax rate was 35%.

Problem 13.21
 LO 5, 7

Cost of goods manufactured and cost of goods sold The following table summarizes the beginning and ending inventories of Decatur Manufacturing, Inc., for the month of March:

	Feb. 28	Mar. 31
Raw materials	\$ 53,600	\$ 44,160
Work in process	114,080	103,680
Finished goods	75,520	67,040