Analysis of Work in Process Account – Weighted Average Method

Dillion Corporation manufactures an industrial cleaning compound that goes through three processing departments-Grinding, mixing, and Cooking. All raw materials are introduced at the start of work in the Grinding Department. The Work in Process T-Account for a recent month is given below.

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| --- | --- | --- |
|  | Work in Process- Grinding Department  |  |
| Inventory, March 1 (4,500 units; Conversion 60% |   | Completed and transferred to mixing (? Units)……  | ? |
| Complete)………………………………………………….  | 12,365 |   |   |
| March costs added: |  |   |   |
|  Raw material (56,800 units)……………………………………………………. | 113,475 |   |   |
|  Labor and overhead …………………...  | 75,319 |   |   |
| Inventory, March 31 (2,900 units;  |   |  |  |
|  Conversion 70% complete)………………..  | ? |  |  |

The March 1 work in process inventory consists of $9,125 in materials cost and $3,240 in conversion cost. The company uses the weighted-average method.

Required.

1. Determine the equivalent units of production for March.
2. Determine the costs per equivalent unit for March
3. Determine the total cost of the units completed and transferred to the next department during March and the total cost of ending work in process inventory.
4. What criticism can be made of the unit costs that you have computed if they are used to evaluate how well costs have been control?