Question #2: Job Order Costing

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| Snappy Company, estimated the following for 2009: |  |  |
|  Manufacturing Overhead | $100,000 |  |  |
|  Direct Labor hours |  40,000 |  |  |
|  |  |  |  |
| At year end (12/31/2009), actual DLH = 45,000 |  |  |
| And actual overhead costs were $110,250. |  |  |  |
|  |  |  |  |
| A. Compute the overhead application rate for 2009. |  |  |
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|  |  |  |  |
|  |  |  |  |
| B. Computer the over/under applied over head for 2009. Indicate if the amount is |
| Over or under applied. |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| C. If Job #334 required $5,000 of direct materials and 400 DLH at a cost  |  |
|  Of $6/hour, compute the total cost for Job #67. |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  Total Cost |   |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| D. If Job #334 consisted of 200 units, what is the cost per unit? |  |
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|  |  |  |  |

 Question #3: Activity-Based Costing

Anfuso Corporation uses activity-based costing to determine product costs for external financial reports. The company has provided the following data concerning its activity-based costing system. Calculate the per unit cost for Products X and Y.

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| --- | --- |
| *Activity Cost Pools (and Activity Measures)* | *Estimated Overhead Cost* |
| Machine related (machine-hours)  | $159,500 |
| Batch setup (setups)  | $269,000 |
| General factory (direct labor-hours)  | $166,500 |

|  |  |
| --- | --- |
|  | *Expected Activity* |
|  *Activity Cost Pools* | *Total* | *Product X* | *Product Y* |
| Machine related  | 11,000 | 8,000 | 3,000 |
| Batch setup  | 10,000 | 6,000 | 4,000 |
| General factory  | 9,000 | 5,000 | 4,000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. Calculation of Activity Rates: |  |  |  |  |
|  | (A) | (B) | (A/B) |
| Activity | Estimated | Expected  | Activity |
| Cost Pool | Overhead Cost | Activity | Rate |
|  |   |  |  |  |
|  |   |  |  |  |
|  |   |  |  |  |
| Total |  $  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| 2. Calculation of unit product costs: |  |  |  |  |
|  |  |  |  |  |  |
| Manufacturing Overhead |  |  |  |  |
|  |  | Product X |  Product Y |
| Activity  | Activity  | Expected |  | Expected |  |
| Cost Pool | Rate | Activity | Amount | Activity | Amount |
|  |  |   |  |  |  |
|  |  |   |  |   |  |
|  |  |   |  |   |  |
| Total |  |  |  |  |  |
| Number of units |  |   | 15,000 |   | 2,000 |
| Overhead costs per unit: |  |   |  |   |
|  |  |  |  |  |  |
| Total Unit Cost: |  |  |  |  |  |
|  |   | Prod. X | Prod. Y |  |  |
|  | Direct materials | $30 | $75 |  |  |
|  | Direct labor: |  25 |  35 |  |  |
|  | Manf. O/H |  |  |  |  |
|  | Unit Costs |   |   |  |  |
|  |  |  |  |  |  |

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| --- | --- |
| Question 4:Wacky Company showed the following information for August: |  |
|  |  | Percent Complete |  |  |
|   | Units | Materials | Conversion |  |  |
| Work in process, beginning | 800 | 75% | 50% |  |  |
| Started into production | 15,000 |  |  |  |  |
| Completed and transferred out | 13,800 |  |  |  |  |
| Work in process, ending | 2,000 | 80% | 40% |  |  |
|  |  | Materials | Conversion |  |  |
| Work in process, beginning |  |  $4,640  |  $ 2,540  |  |  |
| Cost added during August |  |  $97,000  |  $ 215,000  |  |  |
| Prepare a production report for Wacky for August. |  |
| 1. Quantity Schedule and Equivalent Units |  |  |  |  |
| Units to be accounted for: | Qty. Sch. |  |  |  |  |
|  Beginning W-I-P |  |  |  |  |  |
|  Started in production |  |  |  |  |  |
|  Total units |   |  |  |  |  |
|  |  | Equivalent units |  |  |
|  |  |   | Conversion |  |  |
| Units accounted for as follows: |  | Materials | Costs |  |  |
|  |  |  |  |  |  |
|  Transferred out |  |  |  |  |  |
|  Ending W-I-P |  |  |  |  |  |
|  Total units and equivalent units |   |   |   |  |  |
| 2. Cost per Equivalent Unit | Total  |   | Conversion | Whole  |  |
|  | Cost | Materials | Costs | Unit |  |
| Cost to be accounted for: |  |  |  |  |  |
|  Beginning W-I-P |  |  |  |  |  |
|  Costs added during the month |  |  |  |  |  |
|  Total cost |   |   |   |  |  |
| Equivalent units of production: |  |  |  |  |  |
|  Cost per Equivalent Unit |  |  |  |   |  |
| 3. Cost Reconciliation |  | Equivalent units |  |  |
|  | Total  |   | Conversion |  |  |
| Costs accounted for as follows: | Cost | Materials | Costs |  |  |
|  Transferred out: |   |  |  |  |  |
|  Ending W-I-P |  |  |  |  |  |
|  Materials |  |  |  |  |  |
|  Conversion Costs |  |  |  |  |  |
|  Total W-I-P |   |  |  |  |  |
|  |  |  |  |  |  |
|  Total Cost |   |  |  |  |  |