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. |  |  |  |
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|  |  |  |  |
|  |  |  |  |
| 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. | |  |  |
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|  |  |  |  |
|  |  |  |  |
| Total Cost |  |  |  |
|  |  |  |  |
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| 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 |

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| --- | --- | --- | --- |
|  | *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 |

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| 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 |  |  |  |  |  |