



- 1 ✔
- 2 ✔
- 3 ✘
- 4 ✘
- 5 ✘
- 6 ✔

Question 3  
5 points

Inventory balances and other financial data for ET products are as

[Cost\\_Concepts\\_MTQ3\\_1.xls](#)

[Cost\\_Concepts\\_MTQ3\\_1.xls](#)

Inventories:	Dec. 31, 2009	Dec. 31, 2010
Direct material	\$2,000	\$2,500
WIP	\$2,500	\$2,000
Finished Goods	\$10,000	\$5,000

CGM&S	24100
Gross Margin	25900
Net Oper. Income	18900

Other Data:

Direct materials purchased on credit	\$5,000
Direct labor	\$6,000
Overhead	\$7,000
Selling costs	\$2,000
General and Administrative Costs	\$2,000
Sales	\$50,000

Calculate Cost of Goods Manufactured and Sold (CGM&S), Gross

*Handwritten notes:*  
 CGM&S and Net operating income  
 ~ for ~



Close

Mastery Test total points possible: 30

Feedback



- 1 ✓
- 2 ✓
- 3 ✗
- 4 ✗
- 5 ✗
- 6 ✓

Question 4  
5 points

During December, LP Products incurred the following costs:

Cost\_Concepts\_MTQ4\_1.xls

Advertising Expense	\$10,000
General & Administrative Costs	9,000
Property Taxes on Factory	6,000
Insurance on Factory Building	2,400
Material used in Production	55,000
Production Labor	47,000
Quality Control Salary	6,000
Production Supervisor Salary	8,000

Total indirect manufacturing costs = \$ 31400

Calculate the **total indirect manufacturing costs** for December from

*the information in the table.*



1 ✓ 2 ✓ 3 ✗ 4 ✗ 5 ✗ 6 ✓

Question 5  
5 points

Below are listed various costs that are incurred by various business

- Commissions paid to Avon representatives
- Recurring advertising costs by a physician's office
- The cost of hardware installed on sailboats
- Shipping costs from a book distribution center
- Insurance on a factory assembly facility
- Wages paid to temporary personnel
- Depreciation of assembly line facilities at Ford

From the information given above, select the items that would be

*correctly classified as a fixed cost.*

- Commissions paid to Avon representatives
- The cost of hardware installed on sailboats
- Shipping costs from an Amazon distribution center
- Depreciation of assembly line facilities at Ford
- Recurring advertising costs by a physician's office
- Insurance on a factory assembly facility
- Wages paid to temporary personnel



- 1
- 2
- 3
- 4
- 5
- 6

Question 6  
5 points

The high-low method can be used to separate a mixed cost into its two components, fixed, and variable. LP Products would like to use this method to break out these two components for the mixed cost-Indirect Manufacturing Labor Costs. They have determined that Machine Hours appears to drive this cost. The high and low data points for these two variables are given below:

Cost Concepts\_MTQ6\_2.xls

	X	Y
	Machine Hours	Indirect Mfg. Labor Costs
High Observation-Week 8	200	\$15,000
Low Observation-Week 3	100	10,000

Variable Cost/Machine Hour

Fixed Cost

Close

Mastery Test total points possible: 30

Feedback