**1.**

**Company A begins business this year making airplane propellers. At the end of 2005, 750,000 lbs. of raw materials has been with 400,000 propellers produced. The total value of these propellers was $450,000. The material costs were $200,000 with the rest being conversion costs. There were 20,000 propellers left in Work in Process at the end of the year (100 percent complete for materials and 60 percent complete for conversion cost).**

What was the total cost accounted for on the production report?

1. $450,000
2. $250,000
3. $350,000
4. $200,000

**2.**

**Your company uses a predetermined overhead rate based on direct labor hours to apply manufacturing overhead to jobs. On September 1, the estimates for the month were:**

Manufacturing Overhead $17,000

Direct labor hours 13,600

During September, the actual results were:

Manufacturing Overheat $18,500

Direct Labor hours 12,000

What will the cost records for September show?

1. Underapplied overhead of $1.50
2. Overapplied overhead of $1,500
3. Underapplied overhead of $3,500
4. Overapplied overhead of $3,500

**3.**

**A chemical manufacturer produces a product by boiling a mixture of a chemical compound in a solution. It takes one worker 35 minutes to process one batch of the product. Employee work an 8-hour day, which includes 1 hour for the rest breaks and cleanup.**

What is the standard labor time of produce one batch of the product?

1. 30 minutes
2. 35 minutes
3. 40 minutes
4. 45 minutes

4.

**Given the following costs per pound:**

Raw materials purchase price before discount $3.20

Purchase discount 0.08

Freight from supplier 0.33

Materials received and handling 0.07

Selling administrative overhead standard 0.13

Factory overhead standard 0.24

What is the direct materials standard price per pound?

1. $3.52
2. $3.60
3. $3.89
4. $3.76

**5.**

**A company manufactures table with vinyl tops. The standard material cost for the vinyl used per type-r-table is $7.80 based on six square feet of vinyl at a cost of $1.30 per square foot. A production run of 1,000 tables in January resulted in usage of 6,400 square feet of vinyl at a cost of $1.20 per square foot, a total cost of $7.689.**

What is the quantity variance resulting from the above production run?

1. $120 favorable
2. $480 unfavorable
3. $520 unfavorable
4. $640 favorable

6.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **CDs** | **DVDs** | **Total** |
| Sales |  | 400k | 600k | 100k |
| Variable Cost |  | 100 | 400 | 500 |
|  |  |  |  |  |
| Contribution Margin |  | 300 | 200 | 500 |
| Traceable Fixed Cost |  | 250 | 100 | 350 |
|  |  |  |  |  |
| Segment Margin |  | 50 | 100 | 150 |
| Common Fixed Costs |  |  |  | 100 |
| Net Income |  |  |  | 50 |

In the exhibit, what is the net profit margin for the DVD division?

1. 50
2. 100
3. 200
4. 300

**7.**

**Marginal cost is $14.61**

**Average fixed cost is $7.19**

**Average total cost is $25.06**

**Which selling price is closest to the minimum selling price per unit that will result in a contribution to profit?**

1. $7.20
2. $14.62
3. $21.81
4. $25.07

8.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | **The following labor standards have been established for particular products.** | | | | | | |  |
|  |  |  |  |  |  |  |  |  |
|  | Standard labor hours per unit of output |  |  | 8.3 hours |  |  |  |  |
|  | Standard labor rate |  |  | $12.10 per hour | |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | The following data pertain to operations concerning the product for the last month: | | | | | | |  |
|  |  |  |  |  |  |  |  |  |
|  | Actual hours worked |  |  | 6,100 hours | |  |  |  |
|  | Actual total labor cost |  |  | $71,370 |  |  |  |  |
|  | Actual output |  |  | 900 units |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

What is the labor efficiency variance for the month?

1. $16,029 favorable
2. $16,577 favorable
3. $19,017 favorable
4. $19,017 unfavorabl