PROBLEM I

FIRST, INC. HAS THE FOLLOWING ACCOUNT BALANCES AT THE END OF MARCH, 2001

ADMINISTRATIVE EXPENSES $ 53,000

DIRECT LABOR 56,000

DIRECT MATERIAL BEG. INV. 12,000

DIRECT MATERIAL END. INV. 10,000

DIRECT MATERIAL PURCHASES 55,000

FINISHED GOODS BEG. INV. 36,000

FINISHED GOODS END. INV. 32,000

MANUFACTURING OVERHEAD 38,000

SALES REVENUE 500,000

SELLING EXPENSES 8,000

WORK IN PROCESS BEG. INV. 10,000

WORK IN PROCESS END. INV. 12,000

 REQUIRED: (SHOW ALL WORK FOR THIS PROBLEM ON WORK SHEET PROVIDED ON PAGE 2).

1. TOTAL MATERIALS PUT INTO PRODUCTION. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. TOTAL PRODUCTION COSTS. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (MANUFACTURING COSTS INCURRED)

1. COST OF GOODS MANUFACTURED. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. COST OF GOODS SOLD. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. GROSS PROFIT. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. OPERATING EXPENSES. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. NET INCOME. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# WORK SHEET FOR PROBLEM I