

**Print by: Warren Walker**  
**MT425: Managerial Financial Accounting / Chapter 3**

**\*AP3-4**

**Production Cost Report [LO 2, 3, 4, 5]**

Aussie Yarn Co. is a U.S. producer of woolen yarn made from wool imported from Australia. Raw wool is processed, spun, and finished before being shipped out to knitting and weaving companies. Material is added in the beginning of processing, and conversion costs are added evenly throughout processing.

Aussie began the month of August with 6,300 units in process that were 100 percent complete as to materials and 70 percent complete as to labor and overhead. It started 33,900 units into production during the month of August of which 5,500 remained in ending Work in Process inventory and were 50 percent complete as to conversion costs. The cost data are as follows:

<b>Beginning Work in Process:</b>		
Direct materials		\$5,500
Direct labor		1,670
Manufacturing overhead		1,880
<b>Costs added during August:</b>		
Direct materials		\$33,494
Direct labor		16,681
Manufacturing overhead		17,969

Prepare a production cost report for the month of August. *(Round cost per equivalent unit to 2 decimal places, e.g. 5.25 and all other answers to 0 decimal places, e.g. 125.)*

**Unit Reconciliation**

<input type="text"/> <input type="text"/>		<input type="text"/> <input type="text"/> <hr style="border: 0; border-top: 1px solid black;"/> <input type="text"/>
Units to account for		
<input type="text"/> <input type="text"/>		<input type="text"/> <input type="text"/> <hr style="border: 0; border-top: 1px solid black;"/> <input type="text"/>
Units accounted for		

**Cost per Equivalent Unit Calculation**

	Material	Labor	Overhead	Total
<b>Cost</b>				
Beginning WIP	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Cost incurred during Sept.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Total</b>	<hr style="border: 0; border-top: 1px solid black;"/> <b>\$ <input type="text"/></b>	<hr style="border: 0; border-top: 1px solid black;"/> <b>\$ <input type="text"/></b>	<hr style="border: 0; border-top: 1px solid black;"/> <b>\$ <input type="text"/></b>	<hr style="border: 0; border-top: 1px solid black;"/> <b>\$ <input type="text"/></b>

<b>Units</b>			
Units completed	<input type="text"/>	<input type="text"/>	<input type="text"/>
Equivalent unit ending	<input type="text"/>	<input type="text"/>	<input type="text"/>

WIP			
Total	<input type="text"/>	<input type="text"/>	<input type="text"/>

Cost per equivalent unit	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
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**Cost Reconciliation**

Total cost to account for		\$ <input type="text"/>
Cost of completed units		\$ <input type="text"/>
Cost of ending WIP		
Material	\$ <input type="text"/>	
Labor	<input type="text"/>	
Overhead	<input type="text"/>	<input type="text"/>
Total cost accounted for		\$ <input type="text"/>

Question Attempts: 0 of 3 used

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\*AP3-8

**Production Cost Report, Missing Information [LO 2,3,4,5]**

Marion Chemicals produces a chemical used as a base in paints. In the manufacturing process, all materials are added at the start of the process, whereas labor and overhead are added evenly throughout production.

Fill in the missing information in Marion's Production Cost Report for the month of December. *(Enter total cost per equivalent unit to 2 decimal places, e.g. 5.25.)*

**Marion Chemicals  
 Production Cost Report  
 December 2011**

**Unit Reconciliation**

Units in beginning WIP (100% material, 10% conversion costs)	9,000
Units started during December	<input style="width: 100%;" type="text"/>
Units to account for	<input style="width: 100%;" type="text"/>
Units completed	<input style="width: 100%;" type="text"/>
Units in ending WIP (100% material, 20% conversion costs)	5,000
Units accounted for	<input style="width: 100%;" type="text"/>

**Cost Per Equivalent Unit Calculation**

	Material	Labor	Overhead	Total
<b>Cost</b>				
Beginning WIP	\$52,800	\$12,600	\$31,900	\$97,300
Cost incurred in December	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Total	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
<b>Units</b>				
Units completed	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	
Equivalent units, ending WIP	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	
Total	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	
Cost per equivalent unit	\$1.90	\$1.90	\$3.00	<input style="width: 100%;" type="text"/>

**Cost Reconciliation**

Total cost to account for	\$3,513,000
Cost of completed items	\$3,498,600
Cost of ending WIP	
Material	<input style="width: 100%;" type="text"/>
Labor	<input style="width: 100%;" type="text"/>
Overhead	<input style="width: 100%;" type="text"/>
Total cost accounted for	<input style="width: 100%;" type="text"/>

Question Attempts: 0 of 3 used