**Calculating Equivalent Unit Costs**

**Used for Unit 3 Calculating Equivalent Unit Costs Assignment**

***Part 1***

**(a) and (b) Equivalent units with respect to direct materials and direct labor**

|  |  |  |
| --- | --- | --- |
| **Equivalent units of production (EUP):** | **Direct Materials** | **Direct Labor** |
| **Units completed and transferred out**  | **$735,000** | **$735,000** |
| **Units of ending goods in process**  |  |  |
|  **Direct materials**  | **207,000** |  |
|  **Direct labor**  |  | **186,300** |
| **Total equivalent units of production**  | **$942,000** | **$921,300** |

***Part 2***

|  |  |  |
| --- | --- | --- |
| **Cost per equivalent unit of production** | **Direct Materials** | **Direct Labor** |
| Costs of beginning goods in process  | **244,920** | **69,098** |
| **Costs incurred this period**  | **1,639,080** | **1,312,852** |
| **Total costs**  | **1,884,000** | **1,381,950** |
| **÷ Equivalent units of production**  | **942,000** | **921,300** |
| **Cost per equivalent unit of production**  | **2.00 per EUP** | **1.50 per EUP** |

***Part 3***

**Assigning product costs to units**

|  |  |  |
| --- | --- | --- |
| **Costs transferred out:** |  |  |
|  **Direct materials**  | **$207,000** |  |
|  **Direct labor**  |  | **$186,300** |
|  **Total costs transferred out**  |  | **$393,300**  |
| **Costs of ending goods in process** |  |  |
|  **Direct materials**  | **244,920** |  |
|  **Direct labor**  |  | **69,098** |
|  **Total costs of ending goods in process**  |  | **$314,018**  |
| **Total costs accounted for**  |  | **$707,318**  |