Multiple Choice Questions ( 1 point each ) Select the ONE, BEST Answer

|  |  |  |
| --- | --- | --- |
| 1. | A process cost summary is a managerial accounting report that describes: | |
| A) | The costs charged to a department. |
| B) | The equivalent units of production by the department. |
| C) | How the costs were assigned to the output. |
| D) | Physical transfers for a department. |
| E) | All of the above. |

|  |  |  |
| --- | --- | --- |
| 2. | A company that applies process costing is most frequently characterized by: | |
| A) | Low standardization and high production volume. |
| B) | Custom orders and homogeneous products. |
| C) | Repetitive production and heterogeneous products. |
| D) | Repetitive production and low production volume. |
| E) | Homogeneous product and high production volume. |

|  |  |  |
| --- | --- | --- |
| 3. | A company's beginning work in process inventory consisted of 20,000 units that were 1/5 complete with respect to direct labor. These beginning units were completed and another 90,000 units were started during the current period. Of those started, 60,000 were finished and the remaining 30,000 were 1/3 complete at the end of the period. The equivalent units of production were: | |
| A) | 60,000. |
| B) | 74,000. |
| C) | 76,000. |
| D) | 86,000. |
| E) | 96,000. |

|  |  |  |
| --- | --- | --- |
| 4. | To compute an equivalent unit of production, one must be able to reasonably estimate: | |
| A) | The percentage of completion. |
| B) | Units completed. |
| C) | Units started and completed. |
| D) | Direct labor cost. |
| E) | Materials cost. |