Managerial Accounting 7th edition Mowen Test Bank

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Chapter 2

1. It is beneficial to assign indirect costs to cost objects.
   a. True
   b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS:	United States - BUSPROG: - Analytic
STATE STANDARDS:	United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs United States - AK - AICPA: FN-Measurement - AICPA: FN-Measurement United States - AK - IMA: - Cost Management
KEYWORDS:	Bloom's: Understanding
NOTES:	1 min.
DATE CREATED:	9/20/2016 10:38 AM
DATE MODIFIED:	10/20/2016 3:55 AM
QUESTION ID:	JFND-GO3A-EFDD-OP1F
QUESTION GLOBAL ID:	GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GRHU-N3DB-CPTD-QPDD-8YSS-RCMR-CRSS-ECBA-GOSU-G3DR-GRSU-QAMB-G31D-QQJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

2. Price must be greater than cost in order for the firm to generate revenue.
   a. True
   b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS:	United States - BUSPROG: - Analytic
STATE STANDARDS:	United States - AK - ACBSP: - APC-25-Managerial Characteristics/Terminology United States - AK - AICPA: - FN-Reporting United States - AK - IMA: - Cost Management
KEYWORDS:	Bloom's: Understanding
NOTES:	1 min.
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4OTI-GO4W-NQNBEE

3. Accumulating costs is the way that costs are measured and recorded.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
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United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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4. Assigning costs involves the way that a cost is linked to some cost object.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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AICPA: FN-Measurement

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5. Assigning costs tells the accountant who spent the money.

a. True

b. False

ANSWER: False

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01

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AICPA: FN-Measurement

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KEYWORDS: Bloom's: Understanding

NOTES: 1 min.

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6. A cost object is any item such as products, customers, departments, regions, and so on, for which costs are measured and assigned.

a. True

b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

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KEYWORDS: Bloom's: Remembering
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7. Costs are directly, *not i*ndirectly, associated with cost objects.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
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AICPA: FN-Measurement

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KEYWORDS: Bloom's: Understanding
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8. Direct costs are those costs that cannot be easily and accurately traced to a cost object.
   a. True
   b. False

ANSWER: False
RATIONALE: Direct costs are those costs that can be easily and accurately traced to a cost object.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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KEYWORDS: Bloom's: Remembering
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9. Indirect costs are costs that are *not* easily and accurately traced to a cost object.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
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10. Allocation means that an indirect cost is assigned to a cost object using a reasonable and convenient method.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy

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QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-CAHU-EC5N-CW5U-YPDB-GWSS-ECUG-8RSU-NPBA-GOSS-GATU-8RSS-EA3U-GC5U-OCJI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

11. A variable cost is one that does *not* increase in total as output increase and does *not* decrease in total as output decreases.

a. True
b. False

ANSWER: False
RATIONALE: A variable cost is one that does increase in total as output increase and does not decrease in total as output decreases.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-C3UD-NAT3-CW3D-Q3UN-CASU-OQBI-8YSS-NQBS-GOSU-OC3W-CASS-CPJA-GRAD-QQJA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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12. A fixed cost is a cost that does *not* increase in total as output increases and does *not* decrease in total as output decreases.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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13. An opportunity cost is the benefit given up or sacrificed when one alternative is chosen over another.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Decision Modeling
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
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8YSU-EPDF-CRSU-NCDR-GOSU-CAT3-COSU-NP5D-CITU-NPJI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

14. Cost is a dollar measure of the resources used to achieve a given benefit.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
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AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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15. A cost object is something for which a company wants to know the cost.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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16. The revenue per unit is called cost.
    a. True
    b. False

ANSWER: False
RATIONALE: The revenue per unit is called price.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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17. As costs are used up in the production of revenues, they are said to expire. Expired costs are called expenses.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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18. Costs are incurred to produce future benefits.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
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19. Expired costs are called assets.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01

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KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-OP4D
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-GWAU-1P5B-GH3U-NPTA-GASU-QCBZ-8YSU-RCUB-GOSU-OAJS-CRSU-KC5B-CR3D-OP3O-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

20. Reducing the cost required to achieve a given benefit means that a company is becoming less efficient.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Decision Modeling
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-OP3U
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-CITD-O3T1-CO4U-G3MB-GESU-RA3Z-8YSS-GC5G-GOSS-GC5N-8YSU-KCJI-CCHD-KAUD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

21. Costs can be assigned to cost objects in only one way.
a. True
b. False
ANSWER: False
RATIONALE: Costs can be assigned to cost objects in a number of ways.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-OP31
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CR4S-E3BU-CE4G-GPUD-GCSU-KC5D-8RSU-GQBS-GOSS-KQBS-GOSS-NCJT-CFOS-NCUD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

22. Property taxes on a factory building would normally be classified as a fixed cost.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION ID: JFND-GO3A-EFDD-OP3T
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GW4D-C3J1-GR3D-QQJT-CRSS-EPUF-8YSU-1QJI-GOSU-QCDF-GYSS-C3J1-8F1U-NAUG-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

23. Glue used in the manufacture of cabinets would be an example of a fixed cost.
    a. True
    b. False

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ANSWER: False
RATIONALE: Glue used in the manufacture of cabinets would be an example of a variable cost.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
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24. Industries that provide services do *not* normally have direct contact with their customers.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Industry
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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25. Research and development costs would be classified as product cost.

a. True

b. False

ANSWER:	False
RATIONALE:	Research and development costs would be classified as period costs.
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS:	United States - BUSPROG: Analytic
STATE STANDARDS:	United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs United States - AK - AICPA: FN-Measurement - AICPA: FN-Measurement United States - AK - IMA: Cost Management
KEYWORDS:	Bloom's: Understanding
NOTES:	1 min.
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26. Product costs include direct materials, direct labor, and selling costs.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS:	United States - BUSPROG: Analytic
STATE STANDARDS:	United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs United States - AK - AICPA: FN-Measurement - AICPA: FN-Measurement United States - AK - IMA: Cost Management
KEYWORDS:	Bloom's: Remembering
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27. All product costs other than direct materials and indirect labor are called overhead.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE. - 18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
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28. Direct materials can be directly traced to the goods or services being produced.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding

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29. Any costs associated with storing, selling, and delivering the product are classified as product costs.
    a. True
    b. False

ANSWER: False
RATIONALE: Any costs associated with storing, selling, and delivering the product are classified as *period* costs.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CAAD-QQJA-GBOS-NQJZ-CCSU-YPBZ-CESU-E3TT-GOSS-RC5F-GWSS-CCTZ-CO5S-C3JW-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

30. Prime cost is the sum of direct materials cost and direct labor cost.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

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NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-GEHD-GPTA-CA4D-OCTU-GRSU-QQJS-8RSU-KCJS-GOSU-CP33-COSU-Y3TT-CR3D-GAMN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

31. Product costs are carried in inventory until the goods are finished, then they are expensed.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJW-CW4D-QP31-CC3S-RCMB-GESS-G3BT-CRSS-N3JA-GOSU-RCTO-GYSU-1CTA-8RAU-YP33-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

32. Marketing costs would be classified as period costs.
a. True
b. False
ANSWER: True
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GF1S-K3DG-CE3U-RPUG-CESU-YCTU-8RSU-Q3BS-GOSS-KP3A-CASS-E3TS-CFUD-EQJA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

33. A factory building needs to hire janitorial services. This is classified as indirect labor.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJW-GBOU-GPBS-GC4U-QA3U-GOSU-E3UD-CESU-ECTS-GOSU-GA3I-8YSU-EQJ3-GCHG-KA3O-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

34. Period costs are all costs that are *not* product costs, such as office supplies.

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a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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35. Employees who convert direct materials into a product or who provide a service to customers are classified as indirect labor.

a. True
b. False

ANSWER: False
RATIONALE: Employees who convert direct materials into a product or who provide a service to customers are classified as *direct* labor.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Resource Management
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
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36. All manufacturing costs are classified as overhead.

a. True

b. False

ANSWER: False

RATIONALE: All manufacturing costs are classified as direct materials, direct labor, or overhead.

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding

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37. For external reporting purposes, costs must be classified into only three categories.

a. True

b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Remembering

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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJZ-GIOU-OC3U-GJTD-N3TW-CWSU-OPJW-8YSU-1CDF-GOSS-KC3I-GWSS-R3TU-CA4U-RPMD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

38. Cost of goods manufactured represents the cost of direct materials, direct labor, and overhead incurred during the current accounting period.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-CO5D-YC3I-CCHD-K3TS-CRSU-13BU-8YSU-QP3I-GOSU-NAJ1-GYSS-GPMG-GA4U-G3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

39. Cost of goods sold is the total product cost of the units sold during a period.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs

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United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-CF1D-NQJI-8YAG-GPDG-8YSS-NCTW-8YSS-NC3A-GOSU-E3UB-GCSU-EP3A-CP1S-GCTZ-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

40. Sales revenue equals the product cost per unit times the number of units sold.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJZ-GC4S-K3TA-GFOU-QPJW-CESU-YP33-CRSU-NAJI-GOSU-GAJA-CRSS-CAJZ-8BTU-13JA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

41. Gross margin is the difference between sales revenue and cost of goods sold.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy

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QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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42. Expired costs are called _____.
ANSWER: expenses
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GP1D-CQJA-GEHU-NCB3-CASU-K3DD-8RSU-QAMG-GOSU-CCBT-CESU-OC3W-GA5G-GA3S-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

43. _____is the amount of cash or cash equivalent sacrificed for goods and/or services that are expected to bring a current or future benefit to the organization.
ANSWER: Cost
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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44. _____ is the way that a cost is linked to some cost object.
ANSWER: Assigning costs
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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45. A(n) _____ is any item such as a product, customer, department, project, geographic region, and so on, for which costs are measured and assigned.
ANSWER: cost object
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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46. Costs that can be easily and accurately traced to a cost object are called _____.
ANSWER: direct costs
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-GOAD-QQBU-COHS-G3JS-COSU-QP3Z-CESU-1P3A-GOSS-NCMN-CASU-ECJ1-8R3G-CA3T-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

47. The process of assigning an indirect cost to a cost object by using a reasonable and convenient method is called _____.
ANSWER: allocation.
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMN-CR5G-E3TA-GR5S-GQBS-GOSU-Y3JI-CESU-KQBS-GOSU-OAMB-COSU-C3UN-CE3U-KP31-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

48. A(n)_____ is the benefit given up or sacrificed when one alternative is chosen over another.
ANSWER: opportunity cost
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Decision Modeling
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION ID: JFND-GO3A-EFDD-OPKG
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CA5U-RQBZ-8F1D-CAJI-GWSS-E3T3-CESU-Q3J3-GOSU-G3UF-CWSU-K3BZ-GR5U-KPMD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

49. A(n) _____ is a cost that does not increase in total as output increase and does not decrease in total as output decreases.
ANSWER: fixed cost
POINTS: 1
DIFFICULTY: Easy

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QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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50. Organizations that produce products are called _____.
ANSWER: manufacturing organizations
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Industry
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-8B1D-GQBA-GIOU-E3MD-CCSU-YPJS-8RSU-QCJU-GOSU-RPJO-8RSU-GA33-8YHG-KQDR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

51. _____ are those costs, both direct and indirect, of producing a product in a manufacturing firm or of acquiring a product in a merchandising firm and preparing it for sale.
ANSWER: Product costs
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion

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LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GY5D-GA3S-CCAD-RCBT-GYSS-ECJS-CESS-G3TI-GOSU-QAMD-COSS-C3UD-GO3U-RCJW-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

52. Materials that become part of a product usually are classified as _____.
ANSWER: direct materials.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-CPOS-NPTW-CEHD-QQMG-GASU-NQJO-CRSS-KPJA-GOSU-CP31-COSU-KA3A-GC5D-QAJ3-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

53. Insurance coverage, medical care, and accounting are examples of _____ performed for customers.
ANSWER: service activities or services
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-GR4D-1QJW-GE3U-OA5R-GCSU-1ATS-8RSU-RCJO-GOSS-GQMN-CASU-GA5F-GBOS-GPDF-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

54. _____ equals the sum of direct materials, direct labor, and manufacturing overhead.
ANSWER: Total product cost
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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55. All product costs other than direct materials and direct labor are put into a category called _____.
ANSWER: manufacturing overhead.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False

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STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CR4D-OCMR-8Y3U-GCJO-GWSU-QCJZ-CESS-CC5R-GOSU-EQBI-CWSS-GCMF-G7TG-ECDD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

56. _____ is the sum of direct labor cost and manufacturing overhead cost.
ANSWER: Conversion cost
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-OPJZ
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CP1S-K3MD-G3TU-C3UD-GWSU-OPJA-CRSS-RA3I-GOSU-GQBU-GYSS-C3DN-GTTU-EQJU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

57. _____ and _____ costs are considered period costs.
ANSWER: Selling and administrative
selling, administrative
administrative, selling
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION ID: JFND-GO3A-EFDD-OPJS
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-GE3G-NCJW-GJOU-NAJ3-8YSU-1PMD-CRSU-KP5N-GOSS-KC5F-GWSU-KA5N-CFTD-NCTI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

58. Employees who convert direct materials into a product are classified as _____.
ANSWER: direct labor.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Resource Management
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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59. _____ is the cost of the partially completed goods that are still on the factory floor at the end of a time period.
ANSWER: Work in process
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False

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LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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60. The difference between sales revenue and cost of goods sold is known as the _____.
ANSWER: gross margin
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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61. The _____ represents that total product cost of goods completed during the current period and transferred to finished goods inventory.
ANSWER: cost of goods manufactured
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Completion
HAS VARIABLES: False

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LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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62. Which of the following is true of expired costs?
    a. Expired costs are reported as fixed assets on a company's balance sheet.
    b. Expired costs are added to revenue to determine income on the income statement.
    c. Expired costs are used up in the production of revenue.
    d. Expired costs are recognized as liabilities on the balance sheet.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: - Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-CRAS-E3DN-CIOU-OAJU-GYSU-G3JZ-8RSS-C3DG-GOSU-YA33-GWSU-NPJW-GH5G-CCB3-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

63. Which of the following is true of assigning costs to cost objects?
    a. Assigning costs to cost objects typically is more difficult than cost accumulation.

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b. Assigning costs to cost objects can be accomplished in a number of ways.
c. The choice of a method for assigning costs to cost objects depends on a number of factors, such as the need for accuracy.
d. All of these are true.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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64. Which of the following statements best describes an indirect cost?
a. An indirect cost can be easily and accurately traced to a cost object.
b. An indirect cost is assigned to a cost object using allocation.
c. It is not important to assign an indirect cost as it can be traced to a cost object.
d. None of these statements are true.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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65. Which of the following is true of a variable cost?
    a. A variable cost in total changes in direct proportion to changes in output within the relevant range.
    b. A variable cost is a cost that is not linked to a company's output.
    c. A variable cost in total remains constant regardless of the level of output.
    d. A variable cost in total increases as output decreases and decreases as output increases.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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DATE MODIFIED: 9/30/2016 8:47 AM
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66. Which of the following statements is true of cost?
    a. Cost is the difference between gross margin and operating expenses.
    b. Cost and price are always same for the owner of a company.
    c. Cost is a dollar measure of the resources used to achieve a given benefit.
    d. Cost is the revenue per unit.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 9/30/2016 8:49 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-CF1D-O3T3-CWHU-E3DB-GWSS-NAMD-8YSS-KCJA-GOSU-EQDN-8YSU-QP3T-8R4U-RP3O-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

67. Which of the following is true of price?
    a. Price must be greater than cost for a firm to earn income.
    b. Price is the difference between gross margin and the cost of goods sold.
    c. Price is a dollar measure of the resources used to achieve a given benefit.
    d. Price is the difference between cost per unit and income per unit.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 10/25/2016 3:37 AM
QUESTION ID: JFND-GO3A-EFDD-1OKD
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-CAAG-RP3W-CO5G-CPB3-8YSU-1CBI-CRSU-N3JT-GOSS-RAJW-CRSU-CCBU-CR3U-1AUD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

68. Which of the following statements is true of assigning costs to a cost object?
    a. Assigning costs to a cost object is the way that costs are measured and recorded.
    b. Assigning costs to a cost object can be accomplished in a number of ways.
    c. Assigning costs to a cost object typically is simpler than cost accumulation.
    d. All of these

ANSWER: b

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POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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69. An opportunity cost is:
a. the benefit given up or sacrificed when one alternative is chosen over another.
b. the cost to market, distribute, and service a product or service.
c. expensed in the period in which it is incurred; it is not inventoried.
d. the difference between gross margin and operating expenses.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Decision Modeling
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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70. Non-manufacturing costs include
    a. marketing and administration.
    b. direct materials.
    c. indirect materials.
    d. overhead.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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71. Which of the following is an example of a service?
    a. motorcycle
    b. eye exam
    c. stereo
    d. television

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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72. Which of the following is an example of a tangible product?
    a. lawn care
    b. accounting services
    c. customer service
    d. computer

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-CC4D-N3BO-CR3G-RQBZ-GASS-KCT3-8YSU-O3MB-GOSS-K3BO-GYSU-NCJ1-GEAD-OCBA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

73. Costs are subdivided into what two major functional categories?
    a. opportunity and allocation
    b. fixed and variable
    c. product and non-production
    d. direct and indirect

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs

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AICPA: FN-Measurement

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KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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74. Product costs
    a. are costs that are included in the determining the value of the inventory.
    b. are manufacturing costs.
    c. include direct materials, direct labor, and overhead.
    d. are all of these.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION ID: JFND-GO3A-EFDD-1OJI
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GBOS-KQBT-GRHS-CQJS-GYSS-KC5N-8RSS-EP5N-GOSU-EQBO-GWSU-1AMN-GBTS-RPMR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

75. Which of the following would *not* be a period cost?
    a. research and development
    b. direct materials
    c. advertising costs
    d. office supplies

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ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-GO3S-KPMD-GO5G-NQB3-GCSU-RCTA-8RSS-KAT3-GOSU-O3J1-GYSU-1PBI-CJTD-CP5R-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

76. Which of the following would be an example of a direct materials cost?
a. engine on an airplane
b. lubricant used to manufacture a lighting fixture
c. glue used to build cabinets
d. nails used to manufacture a table

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-GW5G-CA3U-GF1D-

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YQB3-8YSS-RQBU-CESS-KCUF-GOSU-OA3Z-GWSU-EPDR-8R4U-YA5D-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

77. Product costs consist of
    a. period costs.
    b. indirect materials, indirect labor, and administrative costs.
    c. direct materials, direct labor, and selling costs.
    d. direct materials, direct labor, and overhead.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJZ-GCHD-Q3UF-GH5G-G3TU-GASU-GPT3-CRSS-CQMB-GOSS-R3TU-GHSU-1AUG-GYAG-CCMG-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

78. Which of the following is *not* an example of a direct materials cost?
    a. shelves on a bookcase
    b. engine in a car
    c. tires on a bicycle
    d. nails used to manufacture a desk

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
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United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJW-CITD-RAMN-C31D-QP3Z-CWSS-RCBA-CRSS-EQJO-GOSS-NA5B-CASS-EAJI-G3TD-RQMF-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

79. Materials in the raw materials account do *not* become direct materials
    a. until they are withdrawn from inventory for use in production.
    b. until the finished product is sold.
    c. until they are purchased from a vendor.
    d. none of these are correct.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CP1D-GPUR-COHU-1C3W-CESU-Q3DB-CRSU-GC5D-GOSU-GCJU-GCSU-GCMR-CW5G-NQMG-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

80. Which of the following is an example of direct labor?
    a. vice president of marketing
    b. assembly line worker for televisions
    c. staff accountant
    d. supervisor at a manufacturing plant

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate

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QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Resource Management
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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81. Direct labor is a(n)
a. product cost.
b. opportunity cost.
c. administrative cost.
d. fixed cost.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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82. Overhead includes
a. indirect labor.

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b. indirect materials.
c. factory supplies.
d. all of these.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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83. Which of the following would *not* be included in overhead?
a. marketing costs
b. property taxes on the factory
c. factory utility costs
d. deprecation on factory machinery

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
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KEYWORDS: Bloom's: Understanding
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84. Indirect labor would include
a. salary of the vice-president of marketing.
b. salary of CEO.
c. salary of factory supervisor.
d. none of these are correct.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-GH3U-QA5R-8RAG-CA3U-COSS-RQMB-CESU-ECJW-GOSS-RCBO-GOSU-CA5N-GEAG-GPTU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

85. The unit cost
a. is the total product costs divided by the number of units produced.
b. includes period costs.
c. is the total prime costs divided by the number of units produced.
d. is the total conversion costs divided by the number of units produced.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-1OT1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GH5D-13TW-GBOU-QQJT-GASU-O3DF-8RSU-OPUF-GOSU-YA3U-8RSU-OP5G-8BUG-GCTU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

86. Prime cost is
a. indirect materials cost and direct labor cost.
b. direct materials cost and direct labor cost.
c. direct labor cost and indirect labor cost.
d. direct materials cost and indirect labor cost.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
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QUESTION ID: JFND-GO3A-EFDD-1OTT
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-GJ1D-QQBU-CPTU-GCUF-CASS-CAJI-8YSU-CC3O-GOSS-KC5G-CWSU-CQDD-CR3U-RC3S-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

87. Conversion cost is the sum of
a. product costs and period costs.
b. selling cost and administrative costs.
c. direct labor cost and direct materials costs.

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d. direct labor cost and overhead costs.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GIUG-GQMG-CA3U-KPJO-GYSS-CP33-8RSU-YAMG-GOSU-KATW-CWSS-E3MR-GIOU-NPTA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

88. Period costs

a. are selling costs and administrative costs.
b. are used to compute product cost.
c. can be included in overhead costs.
d. are carried in inventory until the goods are sold.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
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89. Which of the following is an example of a period cost?
    a. research and development
    b. selling and marketing
    c. general accounting
    d. all of these

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-G7OS-RC33-CA3U-YQDD-CASS-RCB1-8RSU-YCDF-GOSS-KC5R-GRSU-GP33-G31U-N3DB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

90. Product costs are expensed
    a. when the product is finished.
    b. when the product unit cost is calculated.
    c. when the product is sold.
    d. all of these are correct.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
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AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJZ-CW5D-RQBO-GC3D-GCTW-GASU-EQDF-CRSU-K3BU-GOSU-RQDD-CASU-1CTS-GO5D-NPMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

91. Excellent Inc. had a per-unit conversion cost of $3.00 during April and incurred direct materials cost of $112,000, direct labor costs of $84,000, and manufacturing overhead costs of $50,400 during the month. How many units did it manufacture during the month?

a. 70,000
b. 18,000
c. 44,800
d. 30,000

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:

Direct labor	$ 84,000
Manufacturing overhead	50,400
Total conversion cost	$134,400

Units manufactured during the month = Total conversion cost / Per-unit conversion cost
Units manufactured during the month = $134,400 / $3.00 = 44,800 units

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 11/1/2016 11:53 AM
QUESTION ID: JFND-GO3A-EFDD-1QB3
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-CR4G-EC3S-CO5S-NAT3-GWSS-RQBA-CRSS-N3J1-GOSS-CP31-CWSU-K3MN-GE3U-KCT1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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92. Synergy Inc. manufactured 6,000 units during the month of March. They incurred direct materials cost of $120,000 and manufacturing overhead costs of $48,000. If their per-unit prime cost was $31.20 per unit, how much direct labor cost did it incur during March?

a. $20,000
b. $35,000
c. $90,000
d. $67,200

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:
Prime Cost = Units manufactured × Per-unit prime cost = 6,000 units × $31.20 = $187,200
Prime Cost = Direct Materials + Direct Labor
$187,200 = $120,000 + Direct labor
Direct labor = $187,200 – $120,000 = $67,200

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:38 AM

DATE MODIFIED: 11/1/2016 11:54 AM

QUESTION ID: JFND-GO3A-EFDD-1QBA

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-GAHU-RCJS-GA5D-OC3Z-GYSS-K3DG-8YSS-KPBI-GOSS-NA33-CESS-ECBW-COHD-G3UB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

93. During the month of January, Robinson & Green Inc. had total manufacturing costs of $121,000. It incurred $44,000 of direct labor cost and $33,000 of manufacturing overhead cost during the month. If the materials inventory on January 1 was $3,300 less that the materials inventory on January 31, what was the cost of materials purchased during the month?

a. $37,000
b. $47,300
c. $40,000
d. None of these

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:
Direct materials purchased [(Direct materials used* + Difference in inventory balances) = ($44,000 + 3,300)] = $47,300
*Direct materials used = Total manufacturing costs − (Direct labor cost + Overhead cost) =

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$121,000 – ($44,000 + $33,000) = $44,000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 11/1/2016 11:58 AM
QUESTION ID: JFND-GO3A-EFDD-1QNG
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJW-G3UD-KA5G-GO3G-RA5B-CCSU-OCB3-8YSU-O3TO-GOSU-OCUN-COSU-QQJZ-CRAU-NQJS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

94. Product costs that are *not* attached to units that are sold are reported as:
a. selling expenses on the income statement.
b. costs of goods sold on the balance sheet.
c. administrative costs on the income statement.
d. inventory on the balance sheet.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 9/30/2016 9:16 AM
QUESTION ID: JFND-GO3A-EFDD-1QNF
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GO4S-KC3Z-GEAD-CA5G-8YSS-G3TI-CESU-KP5F-GOSU-CA5F-CWSU-O3UD-GC3D-YAUN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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95. Information from the records of Davies & Moore Corporation for December of the current year is as follows:

Sales	$1,353,000
Selling and administrative expenses	231,000
Direct materials used	290,400
Direct labor	330,000
Manufacturing overhead	445,500

	Inventories	
	Dec. 1	Dec. 31
Direct materials	$39,600	$46,200
Work in process	82,500	92,400
Finished goods	75,900	62,700

The conversion costs are:

a. $960,000.

b. $1,179,000.

c. $775,500.

d. $564,000.

ANSWER: c

RATIONALE: SUPPORTING CALCULATIONS:
Conversion Cost = Direct Labor + Manufacturing Overhead
Conversion Cost = $330,000 + $445,500 = $775,500

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:38 AM

DATE MODIFIED: 11/1/2016 11:56 AM

QUESTION ID: JFND-GO3A-EFDD-1QNR

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-CA4G-EAJU-GJTD-1QJU-GASU-RCB1-CRSS-ECBI-GOSU-GC5B-8YSU-KAJU-GHAU-KATI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

96. Information from the records of Garcia & Gordon Corp. for December of the current year is as follows:

Sales	$1,353,000
Selling and administrative expenses	2,310,00
Direct materials used	290,400
Direct labor	330,000

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Factory overhead	445,500

	Inventories	
	Dec. 1	Dec. 31
Direct materials	$39,600	$46,200
Work in process	82,500	92,400
Finished goods	75,900	62,700

The prime costs are:

a. $960,000.
b. $620,400.
c. $705,000.
d. $969,000.

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:
Prime Cost = Direct Materials + Direct Labor
$290,400 + $330,000 = $620,400

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:38 AM

DATE MODIFIED: 9/30/2016 9:25 AM

QUESTION ID: JFND-GO3A-EFDD-1QND

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-GJ1G-RCJ3-GR5G-KCTZ-GESS-C3MR-8YSS-RCBU-GOSS-EA3W-GWSS-CQBA-8Y4D-1P3Z-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

97. Taylor & Edwards Inc. manufactures television sets. Last month, direct materials (electronic components, etc.) costing $550,000 were put into production. Direct labor of $880,000 was incurred, manufacturing overhead equaled $495,000, and selling and administrative costs totaled $396,000. The company manufactured 8,400 television sets during the month. Assume that there were no beginning or ending work in process balances. What was the per-unit conversion cost? (Note: Round answer to two decimal places.)

a. $218.75
b. $163.69
c. $162.54
d. $100.15

ANSWER: b

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RATIONALE: SUPPORTING CALCULATIONS:
Per-unit conversion cost = Total conversion cost / Number of television sets manufactured
Per-unit conversion cost = (Direct Labor + Manufacturing Overhead) / Number of television sets manufactured = ($880,000 + $495,000) / 8,400 sets = $163.69
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 10/19/2016 5:16 AM
QUESTION ID: JFND-GO3A-EFDD-1QBU
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-GW4G-E3UD-CW5D-KAT1-GASU-ECTA-CRSS-RPBO-GOSU-QC5B-COSU-YCDB-GF1U-QCTI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

98. Taylor & Edwards Inc. manufactures television sets. Last month, direct materials (electronic components, etc.) costing $550,000 were put into production. Direct labor of $880,000 was incurred, manufacturing overhead equaled $495,000, and selling and administrative costs totaled $396,000. The company manufactured 8,400 television sets during the month. Assume that there were no beginning or ending work in process balances. What was the per unit prime cost? (Note: Round your answer to two decimal places.)

a. $263.75
b. $62.50
c. $170.24
d. $156.25

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:
Per-unit prime cost = Total prime cost / Number of television sets manufactured = (Direct Materials + Direct Labor) / Number of television sets manufactured = ($550,000 + $880,000) / 8,400 sets= $170.24
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -

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AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 10/19/2016 6:25 AM
QUESTION ID: JFND-GO3A-EFDD-1QBT
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GE4U-KCTW-CCAU-KPDF-GYSU-GPTT-CESU-EQBU-GOSU-YCJZ-CASU-OPTW-CE3S-CP3S-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

99. Atlas Inc. manufactures television sets. Last month, direct materials (electronic components, etc.) costing $550,000 were put into production. Direct labor of $880,000 was incurred, manufacturing overhead equaled $495,000, and selling and administrative costs totaled $396,000. The company manufactured 8,400 television sets during the month. Assume that there were no beginning or ending work in process balances. What was the total product cost for last month?

a. $1,925,000
b. $2,110,000
c. $1,300,000
d. $1,250,000

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS:
Total Product Cost = Direct Materials + Direct Labor + Manufacturing Overhead
$550,000 + $880,000 + $495,000 = $1,925,000
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:38 AM
DATE MODIFIED: 10/19/2016 6:14 AM
QUESTION ID: JFND-GO3A-EFDD-1QB1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CW4G-CCDR-GR3U-RP31-GASU-QP5R-CESU-GCBT-GOSU-KPUB-GASS-G3TW-8Y5D-Q3UB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

100. Wooten & McMahon Enterprises produces a product with the following per-unit costs:

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Direct materials	$13.00
Direct labor	8.80
Manufacturing overhead	16.50

Last year, Wooten & McMahon Enterprises produced and sold 825 units at a sales price of $74.80 each. Total selling and administrative expense was $24,200.What was the per-unit prime cost? (Note: Round your answer to two decimal places.)

a. $21.80
b. $23.50
c. $34.20
d. $11.70

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS: Per-unit prime cost = Per-unit direct material cost + Per-unit direct labor cost = $13.00 + $8.80 = $21.80
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 11:59 AM
QUESTION ID: JFND-GO3A-EFDD-1QKB
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-GYAU-O3B1-8R5G-N3JO-GHSU-OCJS-CESU-EQB3-GOSS-RPDB-CASS-CP5N-GA4U-E3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

101. Last year, Buckner & Jones Company incurred the following costs:

Direct materials	$42,000
Direct labor	63,000
Manufacturing overhead	94,500
Selling expenses	25,200
Administrative expenses	23,100

Buckner & Jones produced and sold 2,060 units at a sales price of $131.25 each. Assume that beginning and ending inventories of materials, work in process, and finished goods were zero.
The total period expense was:

a. $24,000.
b. $190,000.
c. $48,300.

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d. $250,000.

ANSWER: c

RATIONALE: SUPPORTING CALCULATIONS:
Total period expense was = (Selling expenses + Administrative expenses) = ($25,200 + $23,100) = $48,300

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/19/2016 8:00 AM

QUESTION ID: JFND-GO3A-EFDD-1QKG

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GH3D-E3JU-GO4U-K3UB-CCSU-13DN-8RSU-GA5F-GOSU-OQJO-COSS-KPMN-GP1U-QPBZ-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

102. Last year, Buckner & Jones Company incurred the following costs:

Direct materials	$42,000
Direct labor	63,000
Manufacturing overhead	94,500
Selling expenses	25,200
Administrative expenses	23,100

Buckner & Jones produced and sold 2,060 units at a sales price of $131.25 each. Assume that beginning and ending inventories of materials, work in process, and finished goods were zero. What was the conversion cost per unit? (Note: Round answer to two decimal places.)

a. $50.55

b. $76.46

c. $95.00

d. $125.65

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS: Per-unit conversion cost = Total conversion cost / Direct Labor = (Direct Labor + Manufacturing Overhead) / Direct Labor = ($63,000 + $94,500) / 2,060 units = $76.46

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/19/2016 8:19 AM
QUESTION ID: JFND-GO3A-EFDD-1QKD
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GYAD-NPUR-8R3D-EAT1-GHSU-GA33-CRSS-G3MR-GOSS-RCBO-GASU-YPTW-CW3S-GAJ1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

103. Last year, Buckner & Jones Company incurred the following costs:

Direct materials	$42,000
Direct labor	63,000
Manufacturing overhead	94,500
Selling expenses	25,200
Administrative expenses	23,100

Buckner & Jones produced and sold 2,060 units at a sales price of $131.25 each. Assume that beginning and ending inventories of materials, work in process, and finished goods were zero.
The total product costs were:

a. $199,500.
b. $100,000.
c. $150,000.
d. $236,000.

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS:
Total Product Cost = Direct Materials + Direct Labor + Manufacturing Overhead
= $42,000 + $63,000 + $94,500 = $199,500
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

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United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/19/2016 8:11 AM

QUESTION ID: JFND-GO3A-EFDD-1QKR

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CC5D-NPJO-CJUD-NCJI-GWSU-NAJT-8YSU-KPUR-GOSS-CC5F-GHSS-KPUR-CO5U-CA3Z-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

104. In July, Greenwood Company purchased materials costing $23,100 and incurred direct labor cost of $19,800. Manufacturing overhead totaled $35,200 for the month. Information on inventories was as follows:

	July 1	July 31
Materials	$6,820	$7,810
Work in process	770	1,320
Finished goods	3,630	2,970

What was the cost of direct materials used in production for the month of July?

a. $21,000
b. $22,110
c. $21,900
d. $20,500

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, July 1	$ 6,820
Purchases	23,100
Materials inventory, July 31	(7,810)
Direct materials used in July	$ 22,110

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/19/2016 6:34 AM

QUESTION ID: JFND-GO3A-EFDD-1QBZ

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-

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4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GJTU-GQMN-GO3U-KAMF-GHSU-EPJW-CESU-OP5F-GOSU-RQJ3-CCSU-KCMR-CJOU-OP5D-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

105. In July, Noel & Vang Company purchased materials costing $23,100 and incurred direct labor cost of $19,800. Manufacturing overhead totaled $35,200 for the month. Information on inventories was as follows:

	July 1	July 31
Materials	$6,820	$7,810
Work in process	770	1,320
Finished goods	3,630	2,970

What was the total manufacturing costs in July?

a. $71,000
b. $50,000
c. $69,600
d. $77,110

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, July 1	$ 6,820
Purchases	23,100
Materials inventory, July 31	(7,810)
Direct materials used in July	$22,110

Direct materials used in July	$22,110
Direct labor	19,800
Manufacturing overhead	35,200
Total manufacturing cost for July	$77,110

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 12:37 PM
QUESTION ID: JFND-GO3A-EFDD-1QBS
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-GJOS-NPBO-CRHD-OC3S-GYSU-YPB3-8YSS-CPBS-GOSS-KAMF-COSU-G3JO-GA3G-EP5D-E7JI-YT4D-

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JFNN-4OTI-GO4W-NQNBEE

106. Taylor & Edwards Inc. manufactures television sets. Last month, direct materials (electronic components, etc.) costing $550,000 were put into production. Direct labor of $880,000 was incurred, manufacturing overhead equaled $495,000, and selling and administrative costs totaled $396,000. The company manufactured 8,400 television sets during the month. Assume that there were no beginning or ending work in process balances. What was the amount of cost of goods manufactured last month?

a. $1,925,000
b. $1,250,000
c. $1,300,000
d. $2,110,000

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS: Cost of goods manufactured last month = Direct materials + Direct labor + Manufacturing overhead = $550,000 + $880,000 + $495,000 = $1,925,000
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-COHU-OPBO-GH4D-GC3O-8RSS-NCBS-8RSU-CAJW-GOSS-NPTT-GOSU-CQMN-CJTG-CAJZ-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

107. Cost of goods manufactured equals

a. total product costs incurred during the current period + beginning work in process − ending work in process.
b. direct materials cost + direct labor cost + overhead cost.
c. sales − cost of goods sold.
d. none of these are correct.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate

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QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-CF1D-GPT1-C3TS-ECDB-8RSS-G3UR-CESU-QPJA-GOSS-EAJI-CRSU-GA31-GH4D-OCDD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

108. The cost of the partially completed goods at the end of the period would be
a. ending work in process inventory.
b. cost of goods sold.
c. beginning finished goods inventory.
d. beginning work in process inventory.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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109. Cost of goods manufactured equals
a. the cost of indirect materials used in production.
b. the product cost of goods completed during the current period and transferred to finished goods.
c. the period costs for the current period.
d. the cost of direct materials and direct labor used during the current period.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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DATE MODIFIED: 9/20/2016 10:38 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CWHG-NP5N-GCAU-EA3Z-8YSS-NCMG-8RSU-EPJW-GOSS-KATO-CRSS-NAJI-GO5D-YAJT-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

110. In July, Noel & Vang Company purchased materials costing $23,100 and incurred direct labor cost of $19,800. Manufacturing overhead totaled $35,200 for the month. Information on inventories was as follows:

	July 1	July 31
Materials	$6,820	$7,810
Work in process	770	1,320
Finished goods	3,630	2,970

What was the cost of goods manufactured for July?
a. $70,500
b. $70,700
c. $76,560
d. $76,650

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, July 1	$ 6,820
Purchases	23,100
Materials inventory, July 31	(7,810)
Direct materials used in July	$22,110

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Direct materials used in July	$22,110
Direct labor	19,800
Manufacturing overhead	35,200
Total manufacturing cost for July	$77,110
Total manufacturing costs	$77,110
Work in process, July 1	770
Work in process, July 31	(1,320)
Cost of goods manufactured	$76,560

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 3 min.
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111. In July, Noel & Vang Company purchased materials costing $23,100 and incurred direct labor cost of $19,800. Manufacturing overhead totaled $35,200 for the month. Information on inventories was as follows:

	July 1	July 31
Materials	$6,820	$7,810
Work in process	770	1,320
Finished goods	3,630	2,970

What was the cost of goods sold for July?

a. $77,220
b. $69,600
c. $71,300
d. $71,100

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, July 1	$6,820
Purchases	23,100
Materials inventory, July 31	(7,810)

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Direct materials used in July	$22,110	
Direct materials used in July	$22,110	
Direct labor	19,800	
Manufacturing overhead	35,200	
Total manufacturing cost for July	$77,110	
Total manufacturing costs	$77,110	
Work in process, July 1	770	
Work in process, July 31	(1,320)	
Cost of goods manufactured	$76,560	
Cost of goods manufactured		$76,560
Finished goods inventory, July 1		3,630
Finished goods inventory, July 31		(2,970)
Cost of goods sold		$77,220

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 3 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GR3S-EC3W-8YAG-NCJZ-GHSS-EA5N-8RSS-GPDR-GOSU-YAMB-8YSU-N3J3-GT1U-RPJS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

112. In July, Noel & Vang Company purchased materials costing $23,100 and incurred direct labor cost of $19,800. Manufacturing overhead totaled $35,200 for the month. Information on inventories was as follows:

	July 1	July 31
Materials	$6,820	$7,810
Work in process	770	1,320
Finished goods	3,630	2,970

If Noel &Vang Company sold 10,300 units during July and its gross margin totaled $32,780, what was the sales price per unit? (Note: Round answer to two decimal places.)

a. $9.94

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b. $10.68
c. $10.09
d. $10.11

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, July 1	$ 6,820
Purchases	23,100
Materials inventory, July 31	(7,810)
Direct materials used in July	$22,110

Direct materials used in July	$22,110
Direct labor	19,800
Manufacturing overhead	35,200
Total manufacturing costs in July	$77,110

Total manufacturing costs	$77,110
Work in process, July 1	770
Work in process, July 31	(1,320)
Cost of goods manufactured	$76,560

Cost of goods manufactured	$76,560
Finished goods inventory, July 1	3,630
Finished goods inventory, July 31	(2,970)
Cost of goods sold	$77,220

Gross margin	$ 32,780
Cost of goods sold	77,220
Sales (10,300 × $?)	$110,000
Sales price per unit ($110,000 / 10,300 units)	$10.68

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Business Economics - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 4 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 12:38 PM
QUESTION ID: JFND-GO3A-EFDD-1QKN
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-CTTS-KCDF-GCHS-CQBA-CESS-CPBT-8RSU-CA3T-GOSU-R3BS-GHSU-KCDD-G7UG-R3UD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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113. Wooten & McMahon Enterprises produces a product with the following per-unit costs:

Direct materials	$13.00
Direct labor	8.80
Manufacturing overhead	16.50

Last year, Wooten & McMahon Enterprises produced and sold 825 units at a sales price of $74.80 each. Total selling and administrative expense was $24,200. What was the cost of goods sold last year? (Note: Round answer to two decimal places.)

a. $47,500.10
b. $31,597.50
c. $14,250.50
d. $51,000.20

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:
Cost of goods sold for last year = Units sold × Per-unit cost of producing units
= Units sold × (Per-unit direct materials + Per-unit direct labor + Per-unit manufacturing overhead)
Cost of goods sold for last year = 825 units × ($13 + $8.8 + $16.5) = 825 units × $38.30 = $31,597.50

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

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QUESTION ID: JFND-GO3A-EFDD-1QJ3

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GW3D-OC3O-CEAU-Q3UR-GOSU-QQBW-CRSU-RC33-GOSU-1CDR-CASU-QCJZ-GJUG-N3BA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

114. Wooten & McMahon Enterprises produces a product with the following per-unit costs:

Direct materials	$13.00
Direct labor	8.80
Manufacturing overhead	16.50

Last year, Wooten & McMahon Enterprises produced and sold 825 units at a sales price of $74.80 each. Total selling and administrative expense was $24,200. What was the total operating income last year? (Note: Round answer to two decimal places.)

a. $29,000.75

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b. $51,000.00
c. $25,500.50
d. $5,912.50

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:
Cost of goods sold for last year = Units sold × Per-unit cost of producing units
Cost of goods sold for last year = Units sold × (Per-unit direct materials + Per-unit direct labor + Per-unit manufacturing overhead)
Cost of goods sold for last year = 825 units × ($13 + $8.8 + $16.5) = 825 units × $38.30 = $31,597.50

Sales (825 units × $74.80)	$ 61,710.00
Cost of goods sold	(31,597.50)
Selling and administrative expenses	(24,200.00)
Operating income	$ 5,912.50

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
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115. Last year, Buckner & Jones Company incurred the following costs:

Direct materials	$42,000
Direct labor	63,000
Manufacturing overhead	94,500
Selling expenses	25,200
Administrative expenses	23,100

Buckner & Jones produced and sold 2,060 units at a sales price of $131.25 each. Assume that beginning and ending inventories of materials, work in process, and finished goods were zero. What was the gross margin per unit? (Note: Round your answer to two decimal places.)

a. $125.25
b. $7.56
c. $95.50

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d. $34.41

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:

Sales (2,060 units × $131.25)	$ 270,375
Cost of goods sold (Direct materials + Direct labor + Manufacturing overhead) = ($42,000 + $63,000 + $94,500)	199,500
Gross margin per unit = (Sales Revenue − Cost of Goods Sold) / Number of units sold = ($270,375 – $199,500) / 2,060 units	$70,875 / 2,060 units = $34.41

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 3 min.

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QUESTION ID: JFND-GO3A-EFDD-1QKF

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-GTOS-CQJW-CE5D-KPMG-GCSU-EP3S-8YSU-1P3T-GOSU-YAJW-CASU-O3TO-8R4U-YPJZ-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

116. Cost of goods sold

a. represents all costs associated with research, development, and general administration of the organization.

b. is found on the Balance Sheet.

c. is the cost of the partially completed goods that are still on the factory floor at the end of the period.

d. is the total product cost for the units sold during a period.

ANSWER: d

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Understanding

NOTES: 1 min.

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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-CAHG-GC5G-CAAD-KA3A-GRSU-OP3O-8YSU-1PBI-GOSS-KPBS-GYSS-KAJU-8YAU-GAMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

117. Which of the following would *not* be found on the income statement of a manufacturer?
a. cost of goods sold
b. work in process
c. sales revenue
d. operating income

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
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118. Which of the following would be found on the balance sheet of a manufacturer?
a. work in process
b. raw materials
c. finished goods
d. All of the these are correct

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Understanding
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DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1QJT
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119. Which of the following would be found on the balance sheet of a manufacturer?
a. sales revenue
b. selling expenses
c. factory equipment
d. all of these are correct

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
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120. Gross margin equals
a. cost of goods sold − selling and administrative expenses.
b. direct materials + direct labor + manufacturing overhead.
c. sales revenue − cost of goods sold.
d. cost of goods manufactured + selling and administrative expenses.

ANSWER: c
POINTS: 1

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DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
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121. Operating income equals
a. sales revenue − cost of goods sold − selling and administrative expense
b. gross margin − selling expenses
c. sales revenue − cost of goods sold
d. sales revenue − selling and administrative expenses

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
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United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

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KEYWORDS: Bloom's: Understanding
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NPUB-CCSU-RPTT-CRSS-GCTI-GOSS-RCUG-CWSU-N3DF-CAHG-C3JI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

122. Gross margin percent equals
a. gross margin/cost of goods sold.
b. operating income/sales revenue.
c. gross margin/sales revenue.
d. sales revenue/gross margin.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
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AICPA: FN-Measurement

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KEYWORDS: Bloom's: Understanding
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123. Which of the following would *not* be found on an income statement of a service organization?
a. selling expenses
b. cost of goods sold
c. operating income
d. sales revenue

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
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KEYWORDS: Bloom's: Understanding
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124. Which of the following can be found on the income statements of both a manufacturing and service organization?
a. revenues
b. operating income
c. administrative expenses
d. all of these can be found on both.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
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KEYWORDS: Bloom's: Understanding
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125. A manufacturer normally has
a. one inventory account.
b. four inventory accounts.
c. three inventory accounts.
d. none of these are correct.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False

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LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
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STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Remembering
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126. An income statement of a manufacturer
a. will show the ending balance of work in process.
b. contains only manufacturing costs.
c. will show the ending balance of materials inventory.
d. covers a certain period of time.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
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KEYWORDS: Bloom's: Remembering
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127. On a manufacturer's income statement expenses are separated into the following three categories:
a. production, period, and indirect
b. materials, work in process, and finished goods
c. production, selling, and administrative
d. variable, fixed, and direct

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ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
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KEYWORDS: Bloom's: Remembering
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128. Hendrix & Franks Company had the following beginning and ending inventory balances for the current year ended December 31:

	January 1	December 31
Materials	$11,000	$ 8,800
Work in Process	19,800	18,700
Finished Goods	23,100	18,150

In addition, direct labor costs of $33,000 were incurred, manufacturing overhead equaled $46,200, materials purchased were $29,700, and selling and administrative costs were $24,200. Hendrix & Franks Co. sold 27,500 units of product during the year at a sales price of $5.25 per unit. What was the amount of cost of goods manufactured for the year?

a. $101,000
b. $124,000
c. $100,000
d. $112,200

ANSWER: d
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, January 1	$11,000	
Purchases	29,700	
	$40,700	
Materials inventory, December 31	(8,800)	
Materials used		$ 31,900
Direct labor		33,000
Manufacturing overhead		46,200
Total manufacturing costs		$ 111,100
Work in process, January 1		19,800
Work in process, December 31		(18,700)
Cost of goods manufactured		$ 112,200

POINTS: 1

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DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 10 min.
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-G31G-RCTU-CFOS-NP5N-GOSU-QA3I-CESU-C3MG-GOSU-KCTW-CRSU-GC3O-GA4U-E3TO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

129. Hendrix & Franks Company had the following beginning and ending inventory balances for the current year ended December 31:

	January 1	December 31
Materials	$11,000	$ 8,800
Work in Process	19,800	18,700
Finished Goods	23,100	18,150

In addition, direct labor costs of $33,000 were incurred, manufacturing overhead equaled $46,200, materials purchased were $29,700, and selling and administrative costs were $24,200. Hendrix & Franks Co. sold 27,500 units of product during the year at a sales price of $5.25 per unit. What was the amount of cost of goods sold for the year?

a. $102,000
b. $97,500
c. $117,150
d. $128,500

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, January 1	$11,000	
Purchases	29,700	
	$40,700	
Materials inventory, December 31	(8,800)	
Materials used		$ 31,900
Direct labor		33,000
Manufacturing overhead		46,200
Total manufacturing costs		$ 111,100
Work in process, January 1		19,800
Work in process, December 31		(18,700)
Cost of goods manufactured		$ 112,200

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	Cost of goods manufactured	$112,200
	Finished goods inventory, January 1	23,100
	Finished goods inventory, December 31	(18,150)
	Cost of goods sold	$117,150

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
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KEYWORDS: Bloom's: Applying
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-GFTS-NQBA-G7UD-KPBS-8RSU-Y3BA-8RSU-RQDR-GOSU-Q3BW-GCSS-GA5R-CO5U-KAMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

130. Hendrix & Franks Company had the following beginning and ending inventory balances for the current year ended December 31:

	January 1	December 31
Materials	$11,000	$ 8,800
Work in Process	19,800	18,700
Finished Goods	23,100	18,150

In addition, direct labor costs of $33,000 were incurred, manufacturing overhead equaled $46,200, materials purchased were $29,700, and selling and administrative costs were $24,200. Hendrix & Franks Co. sold 27,500 units of product during the year at a sales price of $5.25 per unit. What were the total manufacturing costs for the year?

a. $111,100
b. $102,000
c. $123,000
d. $106,500

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, January 1	$11,000
Purchases	29,700
	$40,700
Materials inventory, December 31	(8,800)
Materials used in production	$ 31,900

Materials used in production	$ 31,900

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	Direct labor	33,000
	Manufacturing overhead	46,200
	Total manufacturing costs	$111,100

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 3 min.
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131. Hendrix & Franks Co. had the following beginning and ending inventory balances for the current year ended December 31:

	January 1	December 31
Materials	$11,000	$ 8,800
Work in Process	19,800	18,700
Finished Goods	23,100	18,150

In addition, direct labor costs of $33,000 were incurred, manufacturing overhead equaled $46,200, materials purchased were $29,700, and selling and administrative costs were $24,200. Hendrix & Franks Co. sold 27,500 units of product during the year at a sales price of $5.25 per unit. What was the operating income (loss) for the year?

a. $18,500
b. $125,000
c. $3,025
d. $2,000

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:

Materials inventory, January 1	$11,000	
Purchases	29,700	
	$40,700	
Materials inventory, December 31	(8,800)	
Materials used		$ 31,900
Direct labor		33,000
Manufacturing overhead		46,200

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Total manufacturing costs		$111,100
Work in process, January 1		19,800
Work in process, December 31		(18,700)
Cost of goods manufactured		$112,200
Cost of goods manufactured	$112,200	
Finished goods inventory, January 1	23,100	
Finished goods inventory, December 31	(18,150)	
Cost of goods sold	$117,150	
Sales (27,500 units × $5.25)	$144,375	
Cost of goods sold	(117,150)	
Gross margin	$ 27,225	
Selling & administrative expenses	24,200	
Operating income	$ 3,025	

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
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KEYWORDS: Bloom's: Applying
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132. During the month of June, Carney & Whitley Inc. had cost of goods manufactured of $123,200, direct materials cost of $57,200, direct labor cost of $40,700, and manufacturing overhead cost of $28,600. The work in process balance on June 30 was equal to $11,000. What was the work in process balance on June 1?

a. $7,700
b. $13,000
c. $10,000
d. $115,000

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS:

Direct materials	$ 57,200
Direct labor	40,700
Manufacturing overhead	28,600
Total manufacturing costs	$126,500
Work in process inventory, June 1 =	
(Cost of goods manufactured – Total	$7,700

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	manufacturing costs + Ending work in process) = ($123,200 – $126,500 + $11,000)
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - AK - ACBSP: APC-09 - Financial Statements United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs United States - AK - AICPA: FN-Reporting United States - AK - IMA: Reporting
KEYWORDS:	Bloom's: Applying
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QUESTION ID:	JFND-GO3A-EFDD-1TJU
QUESTION GLOBAL ID:	GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-C3TD-KQMR-GC4S-NP5G-CASS-R3B3-8RSU-OCMD-GOSU-C3DR-8RSU-GCDN-8YAD-13TI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

133. Emarson & Slater Inc. had materials inventory of $13,200 on July 1. The materials inventory on July 31 was $16,500 and the cost of direct materials used in production was $22,000. What was the cost of materials purchased during the month?

a. $25,300
b. $17,000
c. $35,000
d. $20,000

ANSWER:	a	
RATIONALE:	SUPPORTING CALCULATIONS: Materials inventory, July 1	$13,200
	Purchases = (Materials available* – Materials inventory, July 1) = ($38,500 – $13,200)	25,300
	*Materials available = (Materials used in production + Materials inventory, July31) = ($22,000 + $16,500)	$38,500
POINTS:	1	
DIFFICULTY:	Moderate	
QUESTION TYPE:	Multiple Choice	
HAS VARIABLES:	False	
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-3 - LO: 02-03	
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking	
STATE STANDARDS:	United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs	

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	United States - AK - AICPA: FN-Measurement - AICPA: FN-Measurement
	United States - AK - IMA: Cost Management
KEYWORDS:	Bloom's: Applying
NOTES:	3 min.
DATE CREATED:	9/20/2016 10:39 AM
DATE MODIFIED:	10/19/2016 8:58 AM
QUESTION ID:	JFND-GO3A-EFDD-1TJ1
QUESTION GLOBAL ID:	GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWAG-GA5F-CP1U-NCT3-CRSU-E3TI-8YSS-RA5D-GOSS-C3BU-GOSU-GCUB-GC4U-QP3Z-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

134. Rocha & Noel Inc. had cost of goods sold of $123,200 for the current year ended December 31. The finished goods inventory on January 1 was $30,800, and the finished goods inventory on December 31 was $18,700. What was the amount of cost of goods manufactured for the year?

a. $129,000
b. $111,100
c. $67,000
d. $113,000

ANSWER:	b
RATIONALE:	SUPPORTING CALCULATIONS:

Finished goods inventory, January 1	$ 30,800
Cost of goods manufactured = (Goods available* – Finished goods inventory, January 1) = ($141,900 – $30,800)	111,100
*Goods available (Cost of goods sold + Finished goods inventory, December 31) = ($123,200 + $18,700)	$141,900
Finished goods inventory, December 31	(18,700)
Cost of goods sold	$123,200

POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - AK - ACBSP: APC-09 - Financial Statements United States - AK - AICPA: FN-Reporting United States - AK - IMA: Reporting
KEYWORDS:	Bloom's: Applying
NOTES:	3 min.
DATE CREATED:	9/20/2016 10:39 AM

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DATE MODIFIED: 10/19/2016 8:59 AM
QUESTION ID: JFND-GO3A-EFDD-1TJT
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GBOS-G3UN-GT1U-RP3U-CWSS-RAMN-CRSS-GQJT-GOSU-1PJA-CASS-NQBT-CO5G-GCDD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

135. Thomas & Cooke Inc. had a gross margin for the month of February totaling $46,200. They sold 5,500 units during the month at a sales price of $22 per unit. What was the amount of cost of goods sold for the month?

a. $100,000
b. $42,000
c. $74,800
d. None of these are correct.

ANSWER: c
RATIONALE: SUPPORTING CALCULATIONS:

Sales (5,500 × $22)	$121,000
Cost of goods sold = (Sales – Gross margin) = ($121,000 – $ 46,200)	74,800
Gross margin	$ 46,200

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/19/2016 9:02 AM
QUESTION ID: JFND-GO3A-EFDD-1TJO
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-GHHU-CC5G-8BTU-NATA-8RSU-EQDF-8RSU-RAJ3-GOSS-K3UR-GWSS-EAJI-CW3S-CA3O-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

136. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$ 470,800.00
Cost of goods sold	217,766.40
Gross margin	$ 253,033.60
Less:	
	$
Selling expenses	86,199.20
Administrative expenses	

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	74,942.80
	$
Operating income	91,891.60

What was the sales revenue percent?

a. 100%
b. 48%
c. 52%
d. 16%

ANSWER: a

RATIONALE: SUPPORTING CALCULATIONS:
Sales revenue percent = ($470,800 / $470,800) = 100% (sales revenue is always 100% of itself)

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 11/1/2016 12:44 PM

QUESTION ID: JFND-GO3A-EFDD-1TJZ

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-G7TD-QP3A-GITS-CPT3-GCSU-QATZ-CESS-CPJZ-GOSU-GPDR-GWSS-G3JT-CR4D-OPMR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

137. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$470,800.00
Cost of goods sold	217,766.40
Gross margin	$253,033.60
Less:	
	$
Selling expenses	86,199.20
Administrative expenses	74,942.80
	$
Operating income	91,891.60

What was the cost of goods sold percent? (Note: Round answer to two decimal places.)

a. 100.51%
b. 19.45%
c. 52.56%
d. 46.25%

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ANSWER: d
RATIONALE: SUPPORTING CALCULATIONS: Cost of goods sold percent = Cost of goods sold / Sales revenue = ($217,766.40 / $470,800) = 46.25%
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 12:46 PM
QUESTION ID: JFND-GO3A-EFDD-1TJS
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GTUD-KC3I-8F1S-EPJT-GCSS-EPJS-CESU-NC3U-GOSS-EQJA-GASS-KCMB-GYAD-K3BU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

138. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$470,800.00
Cost of goods sold	217,766.40
Gross margin	$253,033.60
Less:	
Selling expenses	$ 86,199.20
Administrative expenses	74,942.80
Operating income	$ 91,891.60

What was the gross margin percent? (Note: Round answer to two decimal places.)

a. 53.75%
b. 48.75%
c. 17.20%
d. 19.14%

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS: $222,560 / $428,000 =
Gross margin percent = Gross margin / Sales revenue
$253,033.60 / $470,800 = 53.75%
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

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NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/24/2016 1:59 AM
QUESTION ID: JFND-GO3A-EFDD-1TJI
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CO4G-EPUN-CCAD-NA3A-GOSS-GPUN-CRSS-G3BS-GOSU-CA5F-GASU-Y3DD-GPTU-CP5N-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

139. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$470,800.00
Cost of goods sold	217,766.40
Gross margin	$253,033.60
Less:	
Selling expenses	$ 86,199.20
Administrative expenses	74,942.80
Operating income	$ 91,891.60

What was the selling expense percent? (Note: Round answer to two decimal places.)

a. 17.25%
b. 18.31%
c. 16.20%
d. No correct answer

ANSWER: b
RATIONALE: SUPPORTING CALCULATIONS:
Selling expenses percent = Selling expenses / Sales revenue
$86,199.20 / $470,800 = 18.31%
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/24/2016 2:00 AM

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QUESTION ID: JFND-GO3A-EFDD-1TJW

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-COAG-EQBO-CT1D-KCTS-GWSS-CPMB-CESS-CP5B-GOSU-GCMN-COSU-C3UD-C3TS-CA3Z-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

140. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$470,800.00
Cost of goods sold	217,766.40
Gross margin	$253,033.60
Less:	
Selling expenses	$ 86,199.20
Administrative expenses	74,942.80
Operating income	$ 91,891.60

What was the administrative expense percent? (Note: Round answer to two decimal places.)

a. 15.92%
b. 19.85%
c. 16.50%
d. 15.50%

ANSWER: a

RATIONALE: SUPPORTING CALCULATIONS:
Administrative expense percent = Administrative expenses percent / Sales revenue
$74,942.80 / $470,800 = 15.92%

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/24/2016 2:01 AM

QUESTION ID: JFND-GO3A-EFDD-1T1N

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJW-GFTS-CPBU-GCAU-G3B1-GYSS-EA31-8YSU-1PUN-GOSS-EAJA-CASU-QQJZ-CW5S-GCUN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

141. Wright & Boyle Inc. had the following income statement for the month of May:

Sales revenue	$470,800.00
Cost of goods sold	217,766.40
Gross margin	$253,033.60

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Less:	
	$
Selling expenses	86,199.20
Administrative expenses	74,942.80
	$
Operating income	91,891.60

What was the operating income percent? (Note: Round your answer to two decimal places.)

a. 15.75%
b. 19.65%
c. 17.55%
d. 19.52%

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:
Operating income percent = Operating income / Sales revenue
$91,891.60 / $470,800 = 19.52%

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/24/2016 2:02 AM

QUESTION ID: JFND-GO3A-EFDD-1T1B

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CW5D-RAUD-8R3U-CQMR-GASS-KPBA-CRSU-G3UF-GOSU-QPMG-COSU-GQJI-8F1U-QC3A-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

142. Hill & Scott Company makes financial calculators. During the current year, Hill & Scott manufactured 106,700 financial calculators. Finished goods inventory had the following units on hand:

January 1	1,386 units
December 31	1,144 units

How many financial calculators did Hill & Scott sell during the year?

a. 196,780
b. 106,942
c. 97,000
d. 108,260

ANSWER: b

RATIONALE: SUPPORTING CALCULATIONS:

Units manufactured	106,700

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Decrease in inventory balances (Finished goods inventory, January 1 – Finished goods inventory, December 31) = (1,386 units – 1,144 units)	242
Units sold	106,942

OR

Beginning inventory (in units)	1,386
Plus units manufactured (in units)	106,700
Less ending inventory (in units)	(1,144)
Units sold	106,942

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/20/2016 1:03 AM
QUESTION ID: JFND-GO3A-EFDD-1TT3
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-CR5S-NPJ3-GA3G-ECDR-GASS-KCBU-CRSS-KAJI-GOSU-KA3I-8YSU-CA3O-CAHU-GAMF-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

143. Hill & Scott Company makes financial calculators. During the current year, Hill & Scott manufactured 106,700 financial calculators. Finished goods inventory had the following units on hand:

January 1	1,386 units
December 31	1,144 units

If each financial calculator had a per-unit product cost of $123.20, what was the cost of finished goods inventory on December 31? (Note: Round answer to two decimal places.)

a. $140,940.80
b. $141,120.50
c. $24,640.75
d. None of these are correct.

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS: Finished goods inventory on December 31 × Per-unit product = 1,144 units × $123.20 = $140,940.80

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POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/20/2016 1:17 AM
QUESTION ID: JFND-GO3A-EFDD-1TTA
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMN-GO3D-NCTI-GO4U-KATT-GASS-KCB3-CESU-OC31-GOSU-EA5F-GRSS-CPDG-CE4U-QP5D-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

144. Hill & Scott Company makes financial calculators. During the current year, Hill & Scott manufactured 106,700 financial calculators. Finished goods inventory had the following units on hand:

January 1	1,386 units
December 31	1,144 units

If each financial calculator had a per-unit product cost of $130, what was the cost of goods sold in the current year?

a. $10,864,000
b. $10,839,360
c. $11,005,120
d. $13,902,460

ANSWER: d
RATIONALE: SUPPORTING CALCULATIONS:

Units manufactured	106,700
Decrease in inventory balances (Finished goods inventory, January 1 – Finished goods inventory, December 31) = (1,386 units – 1,144 units)	242
Units sold	106,942

Cost of goods sold last year = (Units sold during the year × Per-unit product cost)
Cost of goods sold last year = 106,942 units × $130 = $13,902,460

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

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STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 11/1/2016 12:04 PM

QUESTION ID: JFND-GO3A-EFDD-1T1G

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJI-G3OS-EPMD-8F1U-OAUB-8RSS-CPTW-8RSS-EPTS-GOSS-CCUR-GYSU-QAT3-GOAU-G3JA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

145. Knowles & Foreman Company took the following data from its income statement at the end of the current year:

Per-unit product cost	$35
Gross margin percentage	41.20%
Selling and administrative expenses	$30,900
Operating income	$10,300

What was gross margin for the year?

a. $60,000
b. $100,000
c. $41,200
d. None of these

ANSWER: c

RATIONALE: SUPPORTING CALCULATIONS:

Operating income	$10,300
Selling and administrative expenses	30,900
Gross margin	$41,200

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/24/2016 2:05 AM

QUESTION ID: JFND-GO3A-EFDD-1T1F

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMN-GO5D-Q3UG-GE4S-

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RPMF-GCSU-1AJO-CESS-EPJ3-GOSS-N3B3-GESU-OC3O-8Y4U-ECJA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

146. Knowles & Foreman Company took the following data from its income statement at the end of the current year:

Per-unit product cost	$35
Gross margin percentage	41.20%
Selling and administrative expenses	$30,900
Operating income	$10,300

What was cost of goods sold for the year?

a. $58,800
b. $40,600
c. $100,000
d. None of these

ANSWER: a

RATIONALE: SUPPORTING CALCULATIONS:

Sales = (Gross margin* / Gross margin percentage) = ($41,200 / 0.412)	$100,000
Gross margin*	(41,200)
Cost of goods sold	$ 58,800

*Gross margin = (Selling and administrative expenses + Operating income = $30,900 + $10,300) = $41,200

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/24/2016 2:06 AM
QUESTION ID: JFND-GO3A-EFDD-1T1R
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CJOS-G3MB-GAHU-GCTZ-GYSU-KQDB-CRSU-YPDN-GOSS-E3TU-GYSU-GPT1-CW3U-CCTZ-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

147. Knowles & Foreman Company took the following data from its income statement at the end of the current year:

Per-unit product cost	$35
Gross margin percentage	41.20%

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Selling and administrative expenses	$30,900
Operating income	$10,300

How many units were sold during the year?

a. 3,333 units
b. 1,000 units
c. 1,500 units
d. 1,680 units

ANSWER: d

RATIONALE: SUPPORTING CALCULATIONS:

Sales = (Gross margin* / Gross margin percentage) = ($41,200 / 0.412)	$100,000
Gross margin*	(41,200)
Cost of goods sold	$ 58,800

*Gross margin = (Selling and administrative expenses + Operating income = $30,900 + $10,300) = $41,200

Units sold = Cost of goods sold / Per-unit product cost = $58,800 / $35 = 1,680 units

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 10/24/2016 2:09 AM

QUESTION ID: JFND-GO3A-EFDD-1T1D

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-GH4G-GPBA-CC3U-KPTT-CASU-1P3T-8RSU-K3JZ-GOSU-NAMB-GCSU-KPDN-CW5U-RCMR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

148. Seaview Company took the following data from their income statement at the end of the current year.

Per-unit product cost	$30
Gross margin percentage	40%
Selling and administrative expenses	$30,000
Operating income	$10,000

What was the sales price per unit?

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a. $50
b. $30
c. $20
d. $10

ANSWER: a
RATIONALE: SUPPORTING CALCULATIONS: Sales $100,000 / 2,000 units = $50
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 12:12 PM
QUESTION ID: JFND-GO3A-EFDD-1TTU
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMB-GC4U-QQJ1-8B1D-QQDD-GCSU-E3B3-CESU-G3TA-GOSS-NC3I-8YSS-EA5R-GWAD-GCJW-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

149. If beginning work-in-process inventory is $120,000, ending work-in-process inventory is $160,000, cost of goods manufactured is $400,000 and direct materials used are $100,000, what are the conversion costs?

a. $140,000
b. $280,000
c. $300,000
d. $340,000

ANSWER: d
RATIONALE: SUPPORTING CALCULATIONS:
$400,000 + $160,000 − $120,000 − $100,000 = $340,000

OR

Materials used	$100,000	(given)
Plus conversion costs	340,000	(calculate)
Total mfg costs	$440,000	(calculate)
Plus beg WIP	120,000	(given)
Less ending WIP	(160,000)	(given)
Cost of goods mfd	$400,000	(given)

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TT1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CC3U-1CMR-GJOU-EP5B-GWSS-KATU-8RSS-RA31-GOSU-YA31-GYSS-C3TA-CI1S-RA5B-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

150. Information from the records of Place, Inc., for December is as follows:

Sales	$820,000
Selling and administrative expenses	140,000
Direct materials purchases	176,000
Direct labor	200,000
Factory overhead	270,000
Direct materials, December 1	24,000
Work in process, December 1	50,000
Finished goods, December 1	46,000
Direct materials, December 31	28,000
Work in process, December 31	56,000
Finished goods, December 31	38,000

Net income for the month of December is:

a. $644,000.
b. $36,000.
c. $636,000.
d. $180,000.

ANSWER: b
RATIONALE: SUPPORTING CALCULATIONS:
COGM = ($24,000 + $176,000 − $28,000) + $200,000 + $270,000 + $50,000 − $56,000 = $636,000 COGS = $636,000 + $46,000 − $38,000 = $644,000
NI = $820,000 − $140,000 − $644,000 = $36,000

Cost of goods manufactured:	
Direct materials used in production ($24,000 + $176,000 – $28,000)	$172,000
Direct labor	200,000
Manufacturing overhead	270,000
Total mfg costs for December	$642,000

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Plus WIP, Dec. 1	50,000
Less WIP, Dec. 31	(56,000)
Cost of goods manufactured, December	$636,000
Cost of goods sold:	
Cost of goods manufactured	$636,000
Plus FG, Dec. 1	46,000
Less FG, Dec. 31	(38,000)
Cost of goods sold	$644,000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 15 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TTT
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-8BTD-EPMF-CWAD-EPBW-GWSS-CQB1-8RSS-GC3A-GOSS-GA3O-GASU-CCUF-GR4D-CQMD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

151. Selected data concerning the past year's operations of the Burner Corporation are as follows:

Selling and administrative expenses	$225,000
Direct materials used	397,500
Direct labor	450,000

	Inventories	
	Dec. 1	Dec. 31
Direct materials	$36,000	$42,000
Work in process	75,000	84,000
Finished goods	69,000	57,000

The cost of direct materials purchased is:

a. $397,500.
b. $403,500.
c. $367,500.
d. $405,000.

ANSWER: b
RATIONALE: SUPPORTING CALCULATIONS: $397,500 + $42,000 − $36,000 = $403,500
POINTS: 1

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DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TTO
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-G3TG-CC31-GHHS-KAJI-GESU-1CJT-8YSS-KC31-GOSS-R3DB-8YSU-1QMF-GI1S-C3BS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

152. Stone Company, maker of computers, incurred the following costs during the year:

Required: Classify each cost as either fixed or variable cost.

	Fixed	**Variable**
1. Salary of the factory supervisor		
2. Materials needed to assemble the computers		
3. Wages paid to an assembly line worker		
4. Depreciation on the factory		
5. Utility bill for the factory		
6. Grease used to lubricate the machine		
7. Rent paid for the factory		
8. Property taxes on the factory and corporate office		
9. Boxes used to package the completed computers		
10. Advertising in a newspaper monthly		

ANSWER:
1. Fixed
2. Variable
3. Variable
4. Fixed
5. Variable
6. Variable
7. Fixed
8. Fixed
9. Variable
10. Fixed

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-1 - LO: 02-01

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NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 2 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TTZ
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-GH3U-NCJZ-CW5S-NAJO-GESU-O3TW-8RSU-E3TI-GOSU-1PUF-8YSU-GQJW-GA5D-1AMD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

153. Ashland Company, maker of kitchen cabinets, incurred the following costs during the current year:

Required: Classify each cost as either a product or period cost.

	Product	Period
1. Depreciation on automobiles used by the sales staff.		
2. Salary of Ashland's chief executive officer		
3. Glue used in the production process		
4. Supplies for factory washroom		
5. Research and development costs		
6. Property taxes on factory building		
7. Salary of company controller		
8. Depreciation on furniture in factory lunchroom		
9. Cost of lubricating machinery		
10. Wood used in production process		

ANSWER:

	Product	Period
1.Depreciation on automobiles used by the sales staff.		X
2.Salary of Ashland's chief executive officer		X
3.Glue used in the production process	X	
4.Supplies for factory washroom	X	
5.Research and development costs		X
6.Property taxes on factory building	X	
7.Salary of company controller		X
8.Depreciation on furniture in factory lunchroom	X	
9.Cost of lubricating machinery	X	
10.Wood used in production process	X	

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding

NOTES: 2 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 9/20/2016 10:39 AM

QUESTION ID: JFND-GO3A-EFDD-1TTS

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-GCHG-EPJ1-GR4S-CC3Z-GHSS-GQJI-CRSU-QQBI-GOSS-NQJT-GHSU-CCT1-CIOU-NCUN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

154. The Bayou Company makes crab pots. During the current month, direct materials costing $126,000 were put into production. Direct labor of $78,000 was incurred and overhead equaled $84,000. Selling and administrative expenses totaled $66,000 for the month and the company manufactured 3,000 crab pots. Assume there was no beginning inventory and that 2,800 crab pots were sold.

Required:

A. Compute the per-unit product cost
B. Compute the per-unit prime cost
C. Compute the per-unit conversion cost
D. What is cost of goods sold for the month?
E. What is the cost of ending finished goods for the month?

ANSWER:

A. ($126,000 + $78,000 + $84,000) / 3,000 = $96

B. ($126,000 + $78,000) / 3,000 = $68

C. ($78,000 + $84,000) / 3,000 = $54

D. ($96 × 2,800) = $268,800

E. ($96 × 200) = $19,200

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Subjective Short Answer

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Applying

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NOTES: 10 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1TTI
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GW3D-QCMD-GH3G-K3TW-COSU-GQMB-CRSS-GATA-GOSU-RP5F-CCSS-G3TU-G3TU-KC5B-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

155. Ross Company makes handbags. Last month direct materials (leather, thread, zippers, decorative accents) costing $76,000 were put into production. Ross had 30 workers, each worked 160 hours this month and each are paid $12 per hour. Overhead equaled $80,000 for the period. Ross Company produced 40,000 handbags as of the end of the month.

Required: Calculate the total product cost for the month and calculate the cost of one handbag that was produced.
ANSWER:

Direct materials	$ 76,000	
Direct labor	57,600	(30 employees × 160 hrs. × $12/hour)
Overhead	80,000	
Total cost	$213,600	

Cost of one handbag: $213,600 / 40,000 = $5.34

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TTW
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-CPUG-EAJI-GW4G-CPBZ-COSS-RPBU-8YSU-QAMG-GOSU-OA3A-GESU-YAUD-CPTS-NP3A-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

156. Arcadia Company manufactures recreational vehicles and incurred the following costs during the current year.

Required: Classify each cost using the table format given below:

	Product Cost		Period Cost	
	Direct	Direct	Selling	Administrative

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	Materials	Labor	Overhead	Expense	Expense
1. Wages of general office personnel					
2. Cost of tires					
3. Factory supervisor's salary					
4. Conference for marketing personnel					
5. Factory security guards					
6. Research and development					
7. Assembly line workers					
8. Company receptionist					
9. Advertising cost					
10. Cost of shipping vehicles to customers					

ANSWER:

	Product Cost			Period Cost	
	Direct Materials	Direct Labor	Overhead	Selling Expense	Administrative Expense
1. Wages of general office personnel					X
2. Cost of tires	X				
3. Factory supervisor's salary			X		
4. Conference for marketing personnel				X	
5. Factory security guards			X		
6. Research and development					X
7. Assembly line workers		X			
8. Company receptionist					X
9. Advertising cost				X	
10. Cost of shipping vehicles to customers				X	

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 3 min.
DATE CREATED: 9/20/2016 10:39 AM

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DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1O4N
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-CO4G-KA3U-8BTG-CAJI-8YSU-KQMG-8RSS-RAUD-GOSU-YPB3-CWSS-GQBT-GT1U-QQMR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

157. Room With A View Company manufactures curtains. Last week, direct materials costing $42,000 were put into production. Direct labor of $22,000 was incurred and overhead totaled $50,000. By the end of the week, the company had produced 12,000 curtains.

Required:
1. Calculate the total prime cost for the week.
2. Calculate the per-unit prime cost.
3. Calculate the total conversion cost for the week.
4. Calculate the per-unit conversion cost.

ANSWER: 1. $64,000 (42,000 + 22,000)
2. $5.33 (64,000 / 12,000)
3. $72,000 (22,000 + 50,000)
4. $6.00 (72,000 / 12,000)
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
NOTES: 4 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1O4B
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CPTG-EP5B-8B1G-CPUN-GYSU-CCJU-8RSS-NAJT-GOSS-C3TU-CESS-RQBU-GT1S-RPDN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

158. The Blanchett Company manufactures fishing rods. Last year, direct materials costing $516,000 were put into production. Direct labor of $430,000 was incurred and overhead equaled $645,000. The company had operating income for the year of $58,000 and manufactured and sold 86,000 fishing rods at a sales price of $21 per unit. Assume that there were no beginning or ending inventory balances in the work in process and finished goods inventory accounts.

Required:
A. Compute the per-unit product cost
B. Compute the per-unit prime cost

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C. Compute the per-unit conversion cost
D. Compute the gross margin for the year
E. Compute the selling and administrative expenses for the year
F. Assume production amounted to 86,000 fishing rods and 80,000 were sold. Compute cost of goods sold.
G. Assume production amounted to 86,000 fishing rods and 80,000 were sold. Compute the balance in ending finished goods inventory.

ANSWER:

A. ($516,000 + $430,000 + $645,000) / 86,000 = $18.50

B. ($516,000 + $430,000) / 86,000 = $11.00

C. ($430,000 + $645,000) / 86,000 = $12.50

D.

Sales (86,000 × $21)	$1,806,000
COGS (86,000 × $18.50)	1,591,000
Gross margin	$ 215,000

E.

Gross margin	$215,000
Less: Sell. and admin.	157,000
Operating income	$ 58,000

F. (80,000 × $18.50) = $1,480,000

G. (6,000 × $18.50) = $111,000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 15 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/24/2016 2:11 AM
QUESTION ID: JFND-GO3A-EFDD-1O3A
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GIUD-QCTW-CJTD-NATU-GCSS-GCUB-CRSU-KCUR-GOSS-G3UR-CRSU-C3JT-GR4D-RQMD-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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159. The Butchart Company manufactures microwave ovens. Last year, the per-unit product cost was $56, the per-unit prime cost was $34, and the per-unit conversion cost was $42. Cost of goods sold for the year was $560,000 and the sale price per unit was $100. In addition, direct labor costs of $200,000 and selling and administrative expenses of $240,000 were incurred.

Required:

A. Calculate how many units were sold last year
B. Compute the cost of direct materials used
C. Compute the cost of overhead
D. Compute the gross margin for the year
E. Calculate operating income

ANSWER:

A. Cost of goods sold $560,000 / $56 = 10,000 units

B. 10,000 × $34 − ($200,000 of direct labor cost) = $140,000

C. 10,000 × $42 − ($200,000 of direct labor cost) = $220,000

D.

Sales revenue (10,000 × $100)	$1,000,000
Cost of goods sold	560,000
Gross margin	$ 440,000

E.

Gross margin	$ 440,000
Less: Sell. and admin.	240,000
Operating income	$ 200,000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 10 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1O4G
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GCAG-EQBO-CO3S-KCUG-GHSU-GPTS-8YSU-QA33-GOSU-OCBS-GASS-N3DR-C31U-QA3I-E7JI-YT4D-

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JFNN-4OTI-GO4W-NQNBEE

160. Picture It Inc. manufactures customized wooden frames. The direct materials needed to construct the frames are wood, glass and cardboard. Picture It has 22 employees who work a 40-hour work week and are each paid $17 per hour. The company produced and sold 900 frames in the month of September.

During the month of September the following purchases were made to produce the 900 frames:
Wood—4000 ft. at $1.20/ft.
Glass—400 pieces at $5.60/piece
Cardboard—500 pieces at $0.50/piece

Required:
1. Calculate the total product cost for the month. Assume that all employees worked four full weeks in September and that the company incurred $55,000 in overhead costs.

2. Calculate the per-unit cost.

3. Calculate the gross margin for the month of September assuming that the company sells each frame for $250.

ANSWER:

1. Direct materials:

Wood =	$4,800	(4,000 × $1.20)
Glass =	2,240	(400 × $5.65)
Cardboard =	250	(500 × $0.50)
	$7,290	

Direct labor:	$ 59,840	(22 × 160 × $17)
Overhead	55,000	
Total cost	$122,130	

2. $122,130 / 900 = $135.70

3. Gross margin = sales revenue – cost of goods sold
Gross margin = $225,000 ($250 × 900) – $122,130 = $102,870

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Applying
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QUESTION ID: JFND-GO3A-EFDD-1O4F

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G3OU-1P3A-GI1D-NPT1-CCSS-ECMF-CRSU-CPT3-GOSU-NQBA-GOSS-EATU-GWHU-13TU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

161. Tucker Company, a manufacturing firm, has supplied the following information from its accounting records for the month of April.

Direct labor cost	$12,000
Purchases of raw materials	17,000
Factory insurance	4,000
Research and development	7,500
Factory property taxes	3,000
Sales commissions paid	4,500
Work in process, April 1	2,000
Work in process, April 30	2,800
Materials inventory, April 1	1,475
Materials inventory, April 30	1,200
Finished goods inventory, April 1	2,250
Finished goods inventory, April 30	750

Required: Prepare a Statement of Cost of Goods Manufactured.

ANSWER:

Tucker Company
Statement of Cost of Goods Manufactured
For the Month of April

Materials inventory, April 1	$ 1,475	
Materials purchased	17,000	
Materials available for use	$18,475	
Materials inventory, April 30	1,200	
Materials used		$17,275
Direct labor		12,000
Overhead		7,000
Total manufacturing costs		$36,275
Work in process, April 1		2,000
Work in process, April 30		(2,800)
Cost of goods manufactured		$35,475

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Subjective Short Answer

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 10 min.

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QUESTION ID: JFND-GO3A-EFDD-1O4R
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162. In June, Olympic Company purchased materials costing $38,000, and incurred direct labor cost of $42,000. Overhead totaled $27,000 for the month. Information on inventories was as follows:

	June 1	June 30
Materials	$3,000	$2,700
Work in process	1,000	1,275
Finished goods	2,500	1,775

Required:

A. Calculate the cost of direct materials used during June.
B. Calculate the total manufacturing cost for June.
C. Calculate the cost of goods manufactured for June.
D. Calculate cost of goods sold for June.

ANSWER:

A. Materials, 6/1 $ 3,000
Purchases 38,000
Materials, 6/30 (2,700)
Materials used $ 38,300

B. ($38,300 + $42,000 + $27,000) = $107,300

C. Total manufacturing costs $107,300
Work in process, 6/1 1,000
Work in process, 6/30 (1,275)
Cost of goods manufactured $107,025

D. Cost of goods manufactured $107,025
Finished goods, 6/1 2,500
Finished goods, 6/30 (1,775)
Cost of goods sold $107,750

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
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AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting

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United States - AK - IMA: Cost Management
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 5 min.

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QUESTION ID: JFND-GO3A-EFDD-1O4D

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMN-GTTS-KP5G-CAAG-KPUR-GWSU-KCJ3-CESU-KA5N-GOSU-RAT1-CRSS-KP3A-GBTG-GCUG-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

163. Templar Company, a manufacturing firm, has supplied the following information from its accounting records for the month of November:

Factory supplies used	$18,000
Depreciation on factory building	17,000
Salary of company controller	6,000
Factory janitorial costs	5,000
Marketing and promotion	4,500
Direct labor cost	22,000
Purchases of raw materials	10,000
Finished goods inventory, Nov. 1	2,250
Finished goods inventory, Nov. 30	3,750
Work-in-process inventory, Nov. 1	4,200
Work-in-process inventory, Nov. 30	2,750
Materials inventory, Nov. 1	3,500
Materials inventory, Nov. 30	5,100

Required:

A. Prepare a Statement of Cost of Goods Manufactured

B. Prepare a Statement of Cost of Goods Sold

ANSWER:

Templar Company
Statement of Cost of Goods Manufactured
For the Month of November

Materials inventory, Nov. 1	$ 3,500	
Purchases of materials	10,000	
Materials inventory, Nov. 30	(5,100)	
Materials used		$ 8,400
Direct labor		22,000
Overhead		40,000
Total manufacturing costs		$70,400
Work-in-process inventory, Nov. 1		4,200
Work-in-process inventory, Nov. 30		(2,750)
Cost of goods manufactured		$71,850

Templar Company
Statement of Cost of Goods Sold
For the Month of November

Cost of goods manufactured	$71,850

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Finished goods inventory, Nov. 1	2,250
Finished goods inventory, Nov. 30	(3,750)
Cost of goods sold	$70,350

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 15 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1O3U
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-GWAD-RC5G-CAHU-OA5D-GYSU-C3JZ-CRSS-GAJ1-GOSU-GCBT-8YSU-ECUF-GPTG-K3BI-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

164. Fidalgo Company makes stereos. During the year, Fidalgo manufactured and sold 75,000 stereos at a sales price of $575 per unit. Fidalgo's per-unit product cost was $540 and selling and administrative expenses totaled $2,000,000.

Required:
A. Compute the total sales revenue
B. Compute the gross margin
C. Compute the operating income
D. Compute the operating income if 75,000 stereos were produced and 69,000 were sold.

ANSWER:

A. 75,000 × $575 = $43,125,000

B.

Sales revenue (69,000 × $575)	$43,125,000
Cost of goods sold (75,000 × $540)	40,500,000
Gross margin	$ 2,625,000

C.

Gross margin	$2,625,000
Selling and admin. expenses	2,000,000
Operating income	$ 625,000

D.

Sales revenue	$39,675,000
Cost of goods sold (69,000 × $540)	37,260,000
Gross margin	$ 2,415,000
Selling and admin. expenses	2,000,000
Operating income	$ 415,000

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1O31
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-COAU-GP3O-GBTU-RP33-GYSS-ECJA-CRSU-YQJI-GOSU-RC5D-CWSU-OC3S-G31G-CP5N-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

165. Baleen Company supplied the following data at the end of the current year:

Sales commissions	$ 12,000
Sales revenue	120,000
Research and development	17,000
Finished goods inventory, Jan. 1	7,500
Work in process inventory, Jan 1	9,000
Finished goods inventory, Dec. 31	6,000
Work in process inventory, Dec. 31	11,000
Cost of goods manufactured	52,000

Required: Prepare an income statement for Baleen Company.
ANSWER:

Baleen Company
Income Statement
For the Year Ended December 31, 2011

Sales revenue	$120,000
Cost of goods sold*	53,500
Gross margin	$ 66,500
Less:	
Selling expense	12,000
Administrative expense	17,000
Operating income	$ 37,500
*Cost of goods manufactured	$ 52,000
Finished goods inventory, Jan. 1	7,500
Finished goods inventory, Dec. 31	$ (6,000)

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 10 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1O3T
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GEHU-NC3I-8B1S-EC3W-COSS-E3T3-CESU-EQBI-GOSS-CAMG-GOSU-KA5G-GEHD-YQJU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

166. Macon Company supplied the following data and information on inventories at the end of the current year.

	January 1	December 31
Materials	$21,000	$23,500
Work in process	17,500	8,500
Finished goods	26,000	27,000

Direct labor	$ 40,000
Selling expenses	31,000
Sales revenue	400,000
Administrative expenses	14,500
Purchases of raw materials	62,000
Factory supervision	50,000
Factory supplies used	25,000

Required: Prepare an income statement of Macon Company for the current year.
ANSWER:

Macon Company
Income Statement
For the Year Ended December 31, 2011

Sales revenue	$400,000
Cost of goods sold*	182,500
Gross margin	217,500
Less:	
Selling expenses	$ 31,000
Administrative expenses	14,500
Operating income	$172,000
*Cost of goods manufactured**	$183,500
Finished goods inventory, Jan. 1	26,000
Finished goods inventory, Dec. 31	(27,000)
Cost of goods sold	$182,500
**Purchases of raw materials	$ 62,000
Materials inventory, 1/1	21,000

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Materials inventory, 12/31	(23,500)
Materials used	$ 59,500
Direct labor	40,000
Overhead ($50,000 + $25,000)	75,000
Total manufacturing costs	$174,500
Work in process inventory, Jan. 1	17,500
Work in process inventory, Dec. 31	(8,500)
Cost of goods manufactured	$183,500

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 20 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 11/1/2016 12:52 PM
QUESTION ID: JFND-GO3A-EFDD-1O3O
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-CA5D-KAJ1-GA4U-GPT3-GRSU-KPJA-8YSU-KPBU-GOSU-QC3A-GASU-RPBS-COAG-R3BA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

167. Bartlow Company has supplied the following information from its accounting records for the month of May.

Direct labor cost	$11,500
Purchases of raw materials	20,000
Factory depreciation	7,500
Advertising	10,000
Factory property taxes	6,500
Materials inventory, 5/1	1,250
Materials inventory, 5/31	2,500
Work in process inventory, 5/1	?
Work in process inventory, 5/31	1,500
Cost of goods manufactured	45,850
Sales revenue	?
Executive salary cost	25,000
Finished goods inventory, 5/1	5,500
Finished goods inventory, 5/31	4,250
Operating income	67,900
Gross margin	?

Required: Solve for the missing amounts (?). (Solve for WIP at 5/1 first, then Gross Margin, then Sales Revenue.)
ANSWER:

Bartlow Company

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Schedule of Cost of Goods Manufactured
For the Month of May

Materials inventory, 5/1	$ 1,250
Purchases of materials	20,000
Materials inventory, 5/31	(2,500)
Materials used	$18,750
Direct labor	11,500
Overhead (7,500 + 6,500)	14,000
Total manufacturing costs	$44,250
Work in process, 5/1	3,100
Work in process, 5/31	(1,500)
Cost of goods manufactured	$45,850

Bartlow Company
Income Statement
For the Month of May

Sales revenue	$150,000
Cost of goods sold*	47,100
Gross margin	$102,900
Less:	
Selling expense	$ 10,000
Administrative expense	25,000
Operating income	$ 67,900

*Cost of goods manufactured	$ 45,850
Finished goods inventory, 5/1	5,500
Finished goods inventory, 5/31	(4,250)
Cost of goods sold	$ 47,100

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
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DATE CREATED: 9/20/2016 10:39 AM
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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8Y3D-O3TI-CCHU-E3BZ-GOSU-GCMN-CRSU-GPBW-GOSU-Q3UF-8RSS-G3J1-CPTD-QA3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

168. See the following separate cases.

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	Case #1	Case #2
Sales	$1,000	$1,300
Cost of goods manufactured	A	500
Finished goods inventory (beginning balance)	100	D
Finished goods inventory (ending balance)	150	200
Cost of goods sold	B	600
Gross margin	300	E
Selling expenses	C	75
Administrative expenses	50	40
Operating income	200	F

Required: Solve for the missing amounts (A,B,C,D,E,F)

ANSWER:

	Case #1	Case #2
Sales	$1,000	$1,300
Cost of goods manufactured	$ 750	$ 500
Finished goods inventory (beginning balance)	100	300
Finished goods inventory (ending balance)	(150)	(200)
Cost of goods sold	$ 700	$ 600
Gross margin	300	700
Selling expenses	50	75
Administrative expenses	50	40
Operating income	$ 200	$ 585

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 10 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1O3S
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GC3G-GPTA-CITU-C3DB-CCSU-NP5D-CESU-NA33-GOSU-QCJW-GRSS-EA5B-C3TU-CCB3-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

169. See the following separate cases.

	Case #1	Case #2
Purchase of materials	$ 5,000	C
Materials inventory (beginning balance)	A	$ 220
Materials inventory (ending balance)	1,000	350
Direct labor	7,000	4,250
Factory supervision	1,500	1,100

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Factory supplies	1,250	900
Total manufacturing costs	14,500	D
Work in process inventory (beginning balance)	1,200	1,230
Work in process inventory (ending balance)	B	650
Cost of goods manufactured	14,600	10,200

Required: Solve for the missing amounts (A,B,C,D).

ANSWER:

	Case #1	Case #2
Purchases of materials	$ 5,000	$ 3,500
Materials inventory (beginning balance)	750	220
Materials inventory (ending balance)	(1,000)	(350)
Materials used	$ 4,750	$ 3,370
Direct labor	7,000	4,250
Overhead	2,750	2,000
Total manufacturing costs	$14,500	$ 9,620
Work in process inventory, (beginning balance)	1,200	1,230
Work in process inventory, (ending balance)	(1,100)	(650)
Cost of goods manufactured	$14,600	$10,200

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Subjective Short Answer

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying

NOTES: 10 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 9/20/2016 10:39 AM

QUESTION ID: JFND-GO3A-EFDD-1O3I

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ1-CFTU-OCTO-CC4S-RC3S-GESU-QPTO-8YSU-KAMN-GOSU-KATW-COSS-GATZ-GITU-Q3BU-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

170. Rancor Company's accountant prepared the following income statement for the month of August.

Rancor Company
Income Statement
For the Month of August

Sales revenue	$912,200
Cost of goods sold	601,920
Gross margin	$310,280
Less:	
Selling expense	164,160
Administrative expense	63,840
Operating income	$ 82,280

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Required: (Round to the nearest whole percent)
A. Calculate the sales revenue percent
B. Calculate the cost of goods sold percent
C. Calculate the gross margin percent
D. Calculate the selling expense percent
E. Calculate the administrative expense percent
F. Calculate the operating income percent

ANSWER:

A. $912,000 / $912,200 = 100%
B. $601,920 / $912,200 = 66%
C. $310,280 / $912,200 = 34%
D. $164,160 / $912,200 = 18%
E. $63,840 / $912,200 = 7%
F. $82,280 / $912,200 = 9%

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 10/24/2016 2:27 AM
QUESTION ID: JFND-GO3A-EFDD-1O3W
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJA-8BOU-13T1-GJ1S-CAJ3-GOSU-QPBI-8RSS-EP3U-GOSS-CQBT-CASS-KCUD-GA3U-GP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

171. Extrema Company supplied the following data at the end of the current year.

Finished goods inventory, Jan 1.	$ 12,000
Finished goods inventory, Dec. 31	7,500
Cost of goods manufactured	152,380
Sales revenue	212,000
Sales commissions	19,080
Research and development costs	15,900

Required:
A. Calculate the cost of goods sold percent
B. Calculate the gross margin percent
C. Calculate the selling expense percent
D. Calculate the administrative expense percent
E. Calculate the operating income percent

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ANSWER:

A.	Cost of goods manufactured	$152,380
	Finished goods inventory, 1/1	12,000
	Finished goods inventory, 12/31	(7,500)
	Cost of goods sold	$156,880
	Sales revenue	$212,000
	Cost of goods sold	156,880
	Gross margin	$ 55,120
	Less:	
	Selling expense	19,080
	Administrative expense	15,900
	Operating income	$ 20,140

A. 156,880 / 212,000 = 74%
B. 55,120 / 212,000 = 26%
C. 19,080 / 212,000 = 9%
D. 15,900 / 212,000 = 7.5%
E. 20,140 / 212,000 = 9.5%

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 10 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TNN
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8Y4D-NC3Z-COAS-KAJZ-8YSU-CA3T-8RSU-GA31-GOSU-RCMF-8YSU-EPT3-GHAG-G3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

172. Rizzuto Company supplied the following information for the month of January.

Cost of Goods Sold percent	62%
Selling Expense percent	6%
Administrative Expense percent	13%

Required: Reconstruct Rizzuto's income statement for January assuming that their total sales revenue for the month equaled $500,000.

ANSWER:

Rizzuto Company
Income Statement

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	For the Month of January
Sales revenue	$500,000
Cost of goods sold (500,000 × 62%)	310,000
Gross margin (500,000 × 38%)	$190,000
Less:	
Selling expense (500,000 × 6%)	30,000
Administrative expense (500,000 × 13%)	65,000
Operating income	$ 95.000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 4 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TNB
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJT-G31G-NAMF-GA5U-NQDR-GHSU-YCMR-CRSU-GA3O-GOSS-CP3I-8RSU-RA5B-GFTS-NA3Z-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

173. Cashman Company supplied the following information for the month of December.

Operating income percent	10.5%
Gross margin percent	30%

Required: Solve for the following amounts assuming that Cashman Company's operating income in December was $44,100.

A. Sales revenue
B. Cost of goods sold
C. Total selling and administrative expenses

ANSWER:

A.	Sales Revenue = $44,100 / 0.105 = $420,000	
B.	Cost of goods sold = $420,000 × 0.70 = $294,000	
C.	Gross margin ($420,000 × 0.30)	$126,000
	Less: Selling and administrative expense	81,900
	Operating income	$ 44,100

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: 3ACCT.MOWE.18.2-3 - LO: 2-3

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NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TB3
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJZ-CE4D-K3BU-CRHS-NP5F-GYSS-KQDF-CRSU-GAT3-GOSU-EP5R-COSS-ECJA-CW3U-NAJA-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

174. Wapato Company produces a product with the following per unit costs.

Direct materials	$17
Direct labor	11
Overhead	12

Last year, Wapato produced and sold 3,000 units at a sales price of $80 each. Total selling and administrative expenses were $25,000.

Required: Solve for the following:
A. Total cost of goods sold for last year
B. Operating income for last year
C. Total gross margin for last year
D. Prime cost per unit

ANSWER:

A. ($17 + $11 + $12) × 3,000 = $120,000

B. & C.

Sales revenue (3,000 × $80)	$240,000
Cost of goods sold	120,000
Gross margin	$120,000
Less:	
Selling and administrative expenses	25,000
Operating income	$ 95,000

D. $17 + $11 = $28

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
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KEYWORDS: Bloom's: Applying

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NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1TBA
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMN-GB1S-CC3O-GHHS-RC5G-GWSU-NPJI-CESU-E3JS-GOSU-E3BO-GOSU-NQDB-GF1G-NCBW-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

175. Tesco Company showed the following costs for last month:

Direct materials	$40,000
Direct labor	35,000
Overhead	52,000
Selling expense	17,000
Administrative expense	12,000

Last month, Tesco produced and sold 20,000 units at a sales price per unit of $18. Assume no beginning or ending inventory balances for work in process and finished goods inventories.

Required: Solve for the following amounts.
A. Total product cost for last month
B. Unit product cost for last month
C. Total period costs
D. Gross margin for last month
E. Operating income for last month

ANSWER:

A. $40,000 + $35,000 + $52,000 = $127,000

B. $127,000 / 20,000 = $6.35

C. $17,000 + $12,000 = $29,000

D & E.

Sales revenue (20,000 × $18)	$360,000
Cost of goods sold	127,000
Gross margin	$233,000
Less:	
Selling expense	17,000
Administrative expense	12,000
Operating income	$204,000

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Measurement -

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AICPA: FN-Measurement

United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Applying
NOTES: 5 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TNG
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-GTTS-EAUR-CITD-C3UR-GWSU-QC33-CRSU-ECBZ-GOSU-RCBZ-GHSS-KATI-GR4D-OPTO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

176. Stabler Company, a manufacturing firm, has provided the following information for the month of May:

Factory supplies used	$22,000
Depreciation on factory building	10,000
Commissions for sales personnel	32,000
Salary of company CFO	9,000
Factory janitorial costs	3,000
Research and development	5,000
Depreciation on corporate office	8,500
Advertising costs	2,500
Direct labor cost	40,000
Purchases of raw materials	15,000
Finished goods inventory units, May 1	4,000
Finished goods inventory units, May 31	6,500
Finished goods inventory, May 1	36,000
Finished goods inventory, May 31	59,865
Work in process inventory, May 1	7,500
Work in process inventory, May 31	3,300
Materials inventory, May 1	2,100
Materials inventory, May 31	4,200

Required:
A. Prepare a Statement of Cost of Goods Manufactured.
B. Calculate the cost of one unit assuming 10,000 units were completed during May.
C. Prepare a Statement of Cost of Goods Sold.
D. Calculate the number of units that were sold during May.
E. Prepare an Income Statement assuming the sales price per unit is $35.

ANSWER: A.

Stabler Company
Statement of Cost of Goods Manufactured
For the Month of May

Materials Inventory, May 1	$ 2,100	
Purchases of materials	15,000	
Materials Inventory, May 31	(4,200)	
Materials used		$12,900
Direct Labor		40,000
Overhead		35,000

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Total manufacturing costs	$87,900
Work in Process Inventory, May 1	7,500
Work in Process Inventory, May 31	(3,300)
Cost of Goods Manufactured	$92,100

B. $92,100 / 10,000 = $9.21

C.

Stabler Company
Statement of Cost of Goods Sold
For the Month of May

Cost of Goods Manufactured	$92,100
Finished Goods Inventory, May 1	36,000
Finished Goods Inventory, May 31	(59,865)
Cost of Goods Sold	$68,235

D. Number of units sold:

Finished goods inventory, May 1	$ 4000
Units finished during May	10,000
Finished goods inventory, May 31	(706)
Units sold during May	$ 9,728

E.

Stabler Company
Income Statement
For the Month of May

Sales revenue (7,500 × $35)		$262,500
Cost of goods sold		68,235
Gross margin		$194,265
Less:		
Selling expense		
Commissions	$32,000	
Advertising	2,500	34,500
Administrative expense		
Salary of CFO	$ 9,000	
Research and development	5,000	
Depreciation on corporate office	8,500	22,500
Operating income		$193,880

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Applying
NOTES: 30 min.

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DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1TNF
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-8RHG-K3UB-GPTD-E3UG-GYSU-QATZ-CRSU-CQJ1-GOSS-CC3S-GWSU-GATW-GR5S-CQJS-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

Select the appropriate classification for each of the following costs.
a. Period
b. Product
DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TBZ

177. Advertising costs
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

178. Cost accountant's salary
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

179. Factory supervisor's salary
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-

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YT4D-JFNN-4OTI-GO4W-NQNB8R

180. Research and development costs
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

181. Marketing costs
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

182. Cost of shipping products to customers
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

183. Supplies for factory washroom
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

184. Assembly line worker's wages
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-GFTG-RQJA-G3UD-GQBO-CWSS-KAJW-8YSU-QAMD-GOSU-Q3JW-CASS-E3UB-CO3D-QP3W-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEC

Select the appropriate classification for each of the costs incurred by a manufacturer of automobiles.
a. direct materials
b. direct labor
c. overhead
d. selling expense
e. administrative expense

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DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
DATE MODIFIED: 9/20/2016 10:39 AM
QUESTION ID: JFND-GO3A-EFDD-1TBS

185. cost of tires
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

186. factory supplies
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

187. general accounting costs
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

188. factory security costs
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

189. factory janitorial costs
ANSWER: c

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POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

190. salary of chief executive officer

ANSWER: e

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

191. depreciation of vehicles used by sales personnel

ANSWER: d

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

192. cost of windshields used in the production process

ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJU-GY3U-EPDR-GR4U-1QMR-GESU-OPJW-8YSS-CPJI-GOSS-R3JA-CWSU-QC31-GT1G-E3UN-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEC

Select the appropriate classification for each of the items listed below.

a. Product cost

b. Period cost

DIFFICULTY: Easy

QUESTION TYPE: Matching

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Critical Thinking
United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Understanding

NOTES: 1 min.

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QUESTION ID: JFND-GO3A-EFDD-1TBI

193. Cost of nails used by a home builder

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ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

194. Fees paid to an advertising firm

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

195. Sugar used in soft drink production

ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

196. Rental cost of executive Lear jet

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

197. Cost of conference for sales team

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

198. Factory supervisor's salary

ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

199. Fees paid to outside auditing firm

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ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

200. Factory security costs
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-G71U-YPTU-8YAS-RPJA-GCSU-OQMN-8RSS-GAJT-GOSU-KCTZ-GWSU-1PUF-GCHU-C3JO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEC

Select the appropriate definition for each of the items listed below.
a. per-unit prime cost
b. per-unit conversion cost
c. per-unit cost of goods manufactured
DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Decision Modeling
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
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QUESTION ID: JFND-GO3A-EFDD-1TBW

201. (direct labor + overhead)/units produced
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-GBOU-N3JT-GB1S-KQJU-CWSS-GPDR-8RSS-RQJZ-GOSS-R3DF-CCSU-QPUD-GW3U-1PBT-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

202. (total manufacturing costs + work in process beginning − work in process ending)/units produced
ANSWER: c

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POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-GBOU-N3JT-GB1S-KQJU-CWSS-GPDR-8RSS-RQJZ-GOSS-R3DF-CCSU-QPUD-GW3U-1PBT-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

203. (direct materials + direct labor)/units produced

ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJS-GBOU-N3JT-GB1S-KQJU-CWSS-GPDR-8RSS-RQJZ-GOSS-R3DF-CCSU-QPUD-GW3U-1PBT-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

Select the appropriate definition for each of the items listed below.

a. period cost

b. direct cost

c. opportunity cost

d. variable cost

e. indirect cost

f. fixed cost

g. product cost

DIFFICULTY: Easy

QUESTION TYPE: Matching

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - ACBSP: APC-28 - Variable and Fixed Costs
United States - AK - AICPA: BB-Critical Thinking
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Remembering

NOTES: 1 min.

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QUESTION ID: JFND-GO3A-EFDD-1C1N

204. A benefit given up when one alternative is chosen over another

ANSWER: c

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

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205. A cost that stays the same in total regardless of changes in output
ANSWER: f
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

206. A cost that is difficult to trace to a cost object
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

207. A manufacturing cost
ANSWER: g
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

208. A cost that is not inventoried
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

209. A cost that can be easily traced to a cost object
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

210. A cost that increases in total as output increases
ANSWER: d
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMD-GE5S-CAJT-G31D-E3JI-GASU-Y3T3-8RSU-G3MB-GOSS-ECDF-CWSU-EA5N-CC5U-YA3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

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Select the appropriate classification of the items listed below.

a. selling expense
b. administrative expense
c. direct materials
d. direct labor
e. overhead

DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: BB-Critical Thinking
United States - AK - AICPA: FN-Measurement -
AICPA: FN-Measurement

United States - AK - IMA: Cost Management
KEYWORDS: Bloom's: Understanding
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1C1B

211. Chief of surgery's salary at a hospital
ANSWER: d
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

212. Wages of assembly line workers in an automobile plant
ANSWER: d
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

213. Cost of lubricating factory machinery
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

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214. Cost of shipping goods to customers
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

215. Glue used in the manufacture of furniture
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

216. Cost of engines in the manufacture of airplanes
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

217. Salary of chief executive officer
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

218. A professor's salary at a university
ANSWER: d
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMR-CW3D-NCBU-CO5D-Y3B1-GESS-RCTO-CRSS-CCMN-GOSS-KCDG-GYSS-KCT1-CPOU-O3B1-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEC

Select the appropriate classification of the output generated by each of the following industries.
a. Tangible
b. Intangible
DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - ACBSP: APC-25 - Managerial Characteristics/Terminology
United States - AK - AICPA: BB-Industry
United States - AK - IMA: Cost Management

KEYWORDS: Bloom's: Remembering

NOTES: 1 min.

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QUESTION ID: JFND-GO3A-EFDD-1CT3

219. CPA firm

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

220. Car manufacturer

ANSWER: a

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

221. Law firm

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

222. Medical clinic

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

223. Bowling alley

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

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224. Fast food restaurant
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEW

225. Video rental
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEO

226. Professional sports franchise
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMF-CO5U-RAUR-GJTD-Q3DB-CASU-RQDF-8RSU-RPTU-GOSS-NQJO-CRSU-EC3Z-CPUD-1AMB-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEC

Select the appropriate definition for each of the items listed below.
a. Work in process inventory
b. Finished goods inventory
c. Cost of goods sold
d. Cost of goods manufactured
e. Total manufacturing costs
DIFFICULTY: Easy
QUESTION TYPE: Matching
HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-2 - LO: 02-02
ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Cost Management
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1CTA

227. The cost of units finished but not sold at the end of the current period

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ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8R4D-ECMD-CC4U-CCUG-CCSU-CCMR-8YSU-GCJS-GOSU-R3TZ-GWSU-NC5D-CI1U-R3DR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

228. Direct materials + direct labor + overhead
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8R4D-ECMD-CC4U-CCUG-CCSU-CCMR-8YSU-GCJS-GOSU-R3TZ-GWSU-NC5D-CI1U-R3DR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

229. The cost of units unfinished at the end of the current period
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8R4D-ECMD-CC4U-CCUG-CCSU-CCMR-8YSU-GCJS-GOSU-R3TZ-GWSU-NC5D-CI1U-R3DR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

230. Beginning finished goods inventory + Cost of goods manufactured - Ending finished goods inventory
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8R4D-ECMD-CC4U-CCUG-CCSU-CCMR-8YSU-GCJS-GOSU-R3TZ-GWSU-NC5D-CI1U-R3DR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

231. (direct materials + direct labor + overhead) +/− the change in work in process inventory from the beginning to the end of the current period
ANSWER: d
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJO-8R4D-ECMD-CC4U-CCUG-CCSU-CCMR-8YSU-GCJS-GOSU-R3TZ-GWSU-NC5D-CI1U-R3DR-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

Select the appropriate item for each of the definitions listed below.
a. gross margin
b. selling expenses
c. sales revenue
d. cost of goods sold
e. operating income
DIFFICULTY: Easy
QUESTION TYPE: Matching

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HAS VARIABLES: False
LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - ACBSP: APC-27 - Managerial Accounting Features/Costs
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting
KEYWORDS: Bloom's: Remembering
NOTES: 1 min.
DATE CREATED: 9/20/2016 10:39 AM
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QUESTION ID: JFND-GO3A-EFDD-1C1G

232. gross margin − selling and administrative expenses
ANSWER: e
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWHS-CPDR-GWAU-1A3T-CRSU-RQJ1-8YSU-ECT3-GOSS-CPBZ-8YSU-OCDR-CO3G-NAJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

233. marketing and distributing costs
ANSWER: b
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWHS-CPDR-GWAU-1A3T-CRSU-RQJ1-8YSU-ECT3-GOSS-CPBZ-8YSU-OCDR-CO3G-NAJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

234. price x units sold
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWHS-CPDR-GWAU-1A3T-CRSU-RQJ1-8YSU-ECT3-GOSS-CPBZ-8YSU-OCDR-CO3G-NAJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8R

235. sales revenue − cost of goods sold
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWHS-CPDR-GWAU-1A3T-CRSU-RQJ1-8YSU-ECT3-GOSS-CPBZ-8YSU-OCDR-CO3G-NAJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

236. Beginning finished goods inventory + Cost of goods manufactured - Ending finished goods inventory
ANSWER: d
POINTS: 1

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QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMJ3-CWHS-CPDR-GWAU-1A3T-CRSU-RQJ1-8YSU-ECT3-GOSS-CPBZ-8YSU-OCDR-CO3G-NAJO-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

Select the appropriate definition of each of the items listed below.

a. Income Statement

b. Cost of goods manufactured

c. Work in process

d. Gross margin

e. Operating income

DIFFICULTY: Easy

QUESTION TYPE: Matching

HAS VARIABLES: False

LEARNING OBJECTIVES: ACCT.MOWE.18.2-3 - LO: 02-03

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - ACBSP: APC-09 - Financial Statements
United States - AK - AICPA: FN-Reporting
United States - AK - IMA: Reporting

KEYWORDS: Bloom's: Remembering

NOTES: 1 min.

DATE CREATED: 9/20/2016 10:39 AM

DATE MODIFIED: 9/20/2016 10:39 AM

QUESTION ID: JFND-GO3A-EFDD-1C1F

237. Gross margin − selling and administrative expenses

ANSWER: e

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GA3G-N3JT-8BTD-RPBO-GHSU-1QBA-8RSS-ECJ3-GOSU-Q3TS-GESU-Q3MN-GCHU-KP3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEE

238. The difference between sales revenue and cost of goods sold

ANSWER: d

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GA3G-N3JT-8BTD-RPBO-GHSU-1QBA-8RSS-ECJ3-GOSU-Q3TS-GESU-Q3MN-GCHU-KP3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBER

239. The total cost of goods completed during the current period

ANSWER: b

POINTS: 1

QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GA3G-N3JT-8BTD-RPBO-GHSU-1QBA-8RSS-ECJ3-GOSU-Q3TS-GESU-Q3MN-GCHU-KP3U-E7JI-YT4D-

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JFNN-4OTI-GO4W-NQNB8R

240. Covers a particular period of time
ANSWER: a
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GA3G-N3JT-8BTD-RPBO-GHSU-1QBA-8RSS-ECJ3-GOSU-Q3TS-GESU-Q3MN-GCHU-KP3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNB8Y

241. Cost of partially completed goods
ANSWER: c
POINTS: 1
QUESTION GLOBAL ID: GCID-E7BW-1TBP-CT1S-N3UN-GE5U-KQDR-GEAN-4PMG-GOH1-4CUB-GE4N-4AMN-CPTN-4ATO-CO5U-YP3O-GFDI-GWN8-EPRW-EMMG-GA3G-N3JT-8BTD-RPBO-GHSU-1QBA-8RSS-ECJ3-GOSU-Q3TS-GESU-Q3MN-GCHU-KP3U-E7JI-YT4D-JFNN-4OTI-GO4W-NQNBEA

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