

College Name: _____

Seat No: _____ Student's Name: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, DECEMBER 2016; AFFILIATED COLLEGES
COST ACCOUNTING; BA (H)-511
BBA – V

Date: January 6, 2017

Max Time: 1.5 Hrs
 Max Marks: 30

INSTRUCTIONS:

1. Attempt ANY 4 questions. Do not write anything on the question paper.
2. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.

Q1 Prepare the necessary journal entries from the following information for TriCo, which uses a perpetual inventory system.

- a. Purchased raw material on account, \$56,700.
- b. Requisitioned raw material for production as follows: direct material—80 percent of purchases; indirect material—15 percent of purchases.
- c. Direct labor wages of \$33,100 are accrued as are indirect labor wages of \$12,500.
- d. Overhead incurred and paid for is \$66,900.
- e. Overhead is applied to production based on 110 percent of direct labor cost.
- f. Goods costing \$97,600 were completed during the period.
- g. Goods costing \$51,320 were sold on account for \$77,600.

Q2 Fred Company employs a job order costing system. Only three jobs—Job #105, Job #106, and Job #107—were worked on during November and December. Job #105 was completed December 10; the other two jobs were still in production on December 31, the end of the company's operating year. Job cost sheets on the three jobs follow:

	Job Cost Sheet		
	Job #105	Job #106	Job #107
November costs incurred:			
Direct material	\$16,500	\$ 9,300	\$ —
Direct labor	13,000	7,000	—
Manufacturing overhead	20,800	11,200	—
December cost incurred:			
Direct materials	—	8,200	21,300
Direct labor	4,000	6,000	10,000
Manufacturing overhead	?	?	?

The following additional information is available:

- a. Manufacturing overhead is assigned to jobs on the basis of direct labor cost.
- b. Balances in the inventory accounts at November 30 were as follows:

Raw Material	\$40,000
Work in Process	?
Finished Goods	85,000

Q3 The Valentine’s Day Company has two processing departments, Cooking and Packaging. Ingredients are placed into production at the beginning of the process in Cooking, where they are formed into various shapes. When finished, they are transferred into Packaging, where the candy is placed into heart and tuxedo boxes and covered with foil. All material added in Packaging is considered as one material for convenience. Since the boxes contain a variety of candies, they are considered partially complete until filled with the appropriate assortment. The following information relates to the two departments for February 2001:

Cooking Department:

Beginning WIP (30% complete as to conversion)	4,500 units
Units started this period	15,000 units
Ending WIP (60% complete as to conversion)	2,400 units

Packaging Department:

Beginning WIP (90% complete as to material, 80% complete as to conversion)	1,000 units
Units started during period	?
Ending WIP (80% complete as to material and 80% complete as to conversion)	500 units

- a. Determine equivalent units of production for both departments using the weighted average method.
- b. Determine equivalent units of production for both departments using the FIFO method.

Q4 Cuervo Company manufacturers file cabinets made to consumer specifications. The following information was available at the beginning of March:

Materials inventory	\$12,800
Work in process inventory	4,700
Finished goods inventory	2,300

During March, materials costing \$26,000 were purchased, direct labor cost totaled \$19,300, and factory overhead was \$12,500 (including \$2,500 of indirect materials). March 31 inventories were:

Materials inventory	\$13,300
Work in process inventory	6,800
Finished goods inventory	2,800

Required: Prepare a cost of goods manufactured statement for March.

Q5 B. Parker, an employee of B. Robber and Company, submitted the following data for work performed last week:

<u>Day</u>	<u>Units Produced</u> <u>Each Day</u>
Monday	22
Tuesday	24
Wednesday	30
Thursday	21
Friday	27

During the week, Parker worked 8 hours each day and was paid a flat hourly wage of \$10, plus a bonus based on the 100% bonus plan. Standard production is 3 units per hour. The bonus is computed on a daily basis.

Required: Prepare a report for Parker, showing daily earnings, the daily efficiency ratio, and the labor cost per unit produced each day.

END OF SUBJECTIVE PAPER