

Solutions to Homework Problems for Jobs and Batches Accounting

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Solution to Problem #24

Basic Job Costing

Work-in-process May 1

Jobs: # 5

Cost: \$400

Work-in-process May 31

Jobs: # 8, 11

Cost: \$675 = 550 + 125

Finished goods May 1

Jobs: # 4, 6

Cost: \$1,780 = 530 + 1,250

Finished goods May 31

Jobs: # none

Cost: 0

Cost of goods manufactured May

Jobs: # 5, 7, 9, 10

Cost: \$2,530 = 650 + 450 + 820 + 610

Equation: BWIP + (DM+DL+MOH) - EWIP

DM+DL+MOH = 2,805 = 250+450+550+820+610+125

Cost: \$2,530 = 400 + 2,805 - 675

Cost of goods sold May

Jobs: # 4, 5, 6, 7, 9, 10

Cost: \$4,310 = 530 + 650 + 1250 + 450 + 820 + 610

Equation: BFG + CGM - EFG

Cost: \$4,310 = 1,780 + 2,530 - 0

Sales & gross margin May

Sales = \$6,550 = 700 + 900 + 2,100 + 650 + 1,300 + 900

GM = \$2,240 = 6550 - 4310

Solution to Problem #25

Basic Job Costing

Work-in-process October 1

Jobs: # 1821, 1870

Cost: \$1,780 = 530 + 1250

Work-in-process October 31

Jobs: # 1903, 1905

Cost: \$2,225 = 1730 + 495

Finished goods October 1

Jobs: # 1723, 1864

Cost: \$880 = 460 + 420

Finished goods October 31

Jobs: # 1904

Cost: \$560

Cost of goods manufactured October

Jobs: # 1821, 1870, 1901, 1902, 1904

Cost: \$6,460 = 1400 + 1650 + 930 + 1920 + 560

Equation: BWIP + (DM+DL+MOH) - EWIP

DM+DL+MOH = 6,905 = 870 + 400 + 930 + 1920 + 1730 + 560 + 495

Cost: \$6,460 = 1780 + 6,905 - 2225

Cost of goods sold October

Jobs: # 1723, 1821, 1864, 1870, 1901, 1902

Cost: \$6,780 = 460 + 1400 + 420 + 1650 + 930 + 1920

Equation: BFG + CGM - EFG

Cost: \$6,780 = 880 + 6,460 - 560

Sales & gross margin October

Sales = \$12,415 = 920 + 2420 + 865 + 2100 + 1790 + 4320

GM = \$5,635 = 12,415 - 6780

Solution to Problem #26

Detailed Job Costing

Work-in-process June 1

Jobs: # 2

Cost: \$1,250

Work-in-process June 30

Jobs: # 6, 8

Cost: \$2,405 = 1,505 + 900

Finished goods June 1

Jobs: # 1, 3

Cost: \$3,170 = 2420 + 750

Finished goods June 30

Jobs: # 7

Cost: \$880

Cost of goods manufactured June

Jobs: # 2, 4, 5, 7

Cost: \$6,580 = 1950 + 1820 + 1930 + 880

Equation: BWIP + DM + DL + MOH - EWIP

DM = 4,330 = 250 + 920 + 1300 + 650 + 610 + 600

DL = 2,270 = 300 + 600 + 420 + 570 + 180 + 200

MOH = 1,135 = 150 + 300 + 210 + 285 + 90 + 100

Cost: \$6,580 = 1250 + 4330 + 2270 + 1135 - 2405

Cost of goods sold June

Jobs: # 1, 2, 3, 4, 5

Cost: \$8,870 = 2420 + 1950 + 750 + 1820 + 1930

Equation: BFG + CGM - EFG

Cost: \$8,870 = 3170 + 6,580 - 880

Sales & gross margin June

Sales = \$16,600 = 4650 + 3700 + 2100 + 2500 + 3650

Overapplied OH = 1135 - 1010 = 125

Adjusted CGS = 8870 - 125 = 8,745

GM = \$7,855 = 16600 - 8745

Solution to Problem #27

Detailed Job Costing

Work-in-process January 1

Jobs: # g

Cost: \$ 840

Work-in-process January 31

Jobs: # b, c

Cost: \$1,580 = 800 + 780

Finished goods January 1

Jobs: # a, f

Cost: \$2,220 = 1650 + 570

Finished goods January 31

Jobs: # h

Cost: \$1,950

Cost of goods manufactured January

Jobs: # d, e, g, h

Cost: \$7,440 = 1820 + 2080 + 1590 + 1950

Equation: BWIP + DM + DL + MOH - EWIP

DM = 3,800 = 250 + 920 + 1300 + 650 + 610 + 600

DL = 2,170 = 300 + 600 + 420 + 570 + 180 + 200

MOH = 2,210 = 150 + 300 + 210 + 285 + 90 + 100

Cost: \$7,440 = 840 + 3800 + 2170 + 2210 - 1580

Cost of goods sold January

Jobs: # a, d, e, f, g

Cost: \$7,710 = 1650 + 1820 + 2080 + 570 + 1590

Equation: BFG + CGM - EFG

Cost: \$7,710 = 2220 + 7440 - 1950

Sales & gross margin January

Sales = \$14,620 = 3770 + 2500 + 3650 + 1300 + 3400

Overapplied OH = 2210 - 1800 = 410

Adjusted CGS = 7710 - 410 = 7,300

GM = \$7,320 = 14620 - 7300

Solution to Problem #28

Process Costing or Job Costing?

1. Job-order costing
2. Job-order costing
3. Process costing
4. Job-order costing
5. Process costing*
6. Process costing*
7. Job-order costing
8. Job-order costing
9. Job-order costing
10. Job-order costing
11. Process costing
12. Process costing

* Some of the listed companies might use either a process costing or a job-order costing system, depending on the nature of their operations and how homogeneous the final product is. For example, a plywood manufacturer might use job-order costing if it has a number of different plywood products that are constructed of different woods or come in markedly different sizes.