

Chapter 8 Process Costing Practice Quiz

91. The Clarke Chemical Company produces a special kind of body oil that is widely used by professional sports trainers. The oil is produced in three processes: Refining, Blending, and Mixing. Raw oil materials are introduced at the beginning of the refining process. A "mountain-air scent" material is added in the blending process when processing is 50% completed.

The following Work-in-Process account for the Refining Department is available for the month of July. The July 1 Work-in-Process Inventory contains \$1,500 in material costs.

Work-in-Process: Refining

Beginning balance (5,000 gal, 80% complete)	\$6,500
Materials (30,000 gal.)	12,300
Direct labor	14,500
Overhead	21,750
Ending balance (6,000 gal., 2/3 complete)	

The Clarke Chemical Company uses weighted-average costing.

Required (use 4 decimal places for computations):

- Compute the equivalent units of production for Refining for July.
- Compute the material cost per unit and the conversion cost per unit for July.
- Compute the costs transferred to the Blending Department for July.
- Compute the July 31 Work-in-Process Inventory balance.

90. The Clarke Chemical Company produces a special kind of body oil that is widely used by professional sports trainers. The oil is produced in three processes: Refining, Blending, and Mixing. Raw oil materials are introduced at the beginning of the refining process. A "mountain-air scent" material is added in the blending process when processing is 50% completed.

The following Work-in-Process account for the Refining Department is available for the month of July. The July 1 Work-in-Process Inventory contains \$1,500 in material costs.

Work-in-Process: Refining

Beginning balance (5,000 gal, 80% complete)	\$7,500
Materials (30,000 gal.)	12,300
Direct labor	14,500
Overhead	21,750
Ending balance (6,000 gal., 2/3 complete)	

The Clarke Chemical Company uses first-in, first-out (FIFO) costing.

Required (use 4 decimal places for computations):

- (a) Compute the equivalent units of production for Refining for July.
- (b) Compute the material cost per unit and the conversion cost per unit for July.
- (c) Compute the costs transferred to the Blending Department for July.
- (d) Compute the July 31 Work-in-Process Inventory balance.

93. The Clarke Chemical Company produces a special kind of body oil that is widely used by professional sports trainers. The oil is produced in three processes: Refining, Blending, and Mixing. Raw oil materials are introduced at the beginning of the refining process. A "mountain-air scent" material is added in the blending process when processing is 50% completed.

The following Work-in-Process account for the Blending Department is available for the month of July. The July 1 Work-in-Process inventory contains \$5,920 in material costs, and \$1.56/unit in costs transferred in from the Refining Department.

Work-in-Process: Blending

Beginning balance (8,000 gal, 30% complete)	\$22,850
Costs transferred in from Refining (29,000 gal.)	48,200
Materials	20,810
Direct labor	5,748
Overhead	11,600
Ending balance (4,000 gal., 40% complete)	

The Clarke Chemical Company uses weighted average costing.

Required (use 4 decimal places for computations):

- Compute the equivalent units of production for Blending.
- Compute the unit costs in the Blending Department for the month of July. (HINT: There are three!!)
- Compute the costs transferred out to the Mixing Department for July.
- Compute the July 31 Work-in-Process Inventory balance.

