

AC202 Quiz 3**Name:**

Student ID#:

Top That manufactures baseball-style hats. Material is introduced at the beginning of the process in the Cutting Department. Conversion costs are incurred (and allocated) uniformly throughout the process. As the cutting of material is completed, the pieces are immediately transferred to the Sewing Department. Data for the Cutting Department for the month of February 2009 follow:

Work in process, January 31 — 50,000 units
100% complete for direct materials; 40% completed for conversion costs
actual costs of direct materials, \$70,500; actual costs of conversion, \$34,050

Units started during February, 225,000
Units completed during February 200,000
Work in process, February 28 75,000 units
100% complete for direct materials; 20% completed for conversion costs
Direct materials added during February [actual costs] \$342,000
Conversion costs added during February [actual costs] \$352,950

1. Assuming Top That uses the weighted-average method to account for inventories, the equivalent units of work for the month of February are

	<u>Direct Materials</u>	<u>Conversion Costs</u>
a.	225,000	225,000
b.	200,000	200,000
c.	275,000	215,000
d.	225,000	200,000

2. Assuming Top That used the weighted-average method to account for inventories, the cost per equivalent whole unit produced during February is

- a. \$3.30.**
b. \$3.55.
c. \$3.77.
d. \$4.00.

3. If Top That uses the first-in, first-out (FIFO) method to account for inventories, the equivalent units of work for the month of February are

	<u>Direct Materials</u>	<u>Conversion Costs</u>
a.	225,000	225,000
b.	225,000	195,000
c.	275,000	200,000
d.	200,000	195,000

4. If Top That uses the FIFO method to account for inventories, the costs per equivalent unit for February are

	<u>Direct Materials</u>	<u>Conversion Costs</u>
a.	\$1.50	\$1.76
b.	\$1.83	\$1.72
c.	\$1.71	\$1.81
d.	\$1.52	\$1.81