

EXERCISE 4A-1 Computation of Equivalent Units—FIFO Method [L06]

Refer to the data for Lindex Company in Exercise 4-2.

Required:

Compute the equivalent units of production for October assuming that the company uses the FIFO method for accounting for units and costs.

EXERCISE 4A-3 Applying Costs to Units—FIFO Method [L08]

Data concerning a recent period's activity in the Mixing Department, the first processing department in a company that uses process costing, appear below:

| | Materials | Conversion |
|---|-----------|------------|
| Cost of work in process inventory at the beginning of the period | \$2,700 | \$380 |
| Equivalent units of production in the ending work in process inventory | 800 | 200 |
| Equivalent units of production required to complete the beginning work in process inventory | 400 | 700 |
| Cost per equivalent unit for the period | \$4.40 | \$1.30 |

A total of 8,000 units were completed and transferred to the next processing department during the period. Beginning work in process inventory consisted of 1,000 units and ending work in process inventory consisted of 2,000 units.

Required:

Using the FIFO method, compute the cost of the units transferred to the next department during the period and the cost of ending work in process inventory.