

Unit 4 - Group Project

Assignment Overview

Type: Group Project
Unit: Cost Systems
Due Date: Tue, 9/11/18
Grading Type: Numeric
Points Possible: 100
Points Earned:
Deliverable Length: journal entries; 300-400 word memo

Go To:

- [Assignment Details](#)
- [Learning Materials](#)
- [Reading Assignment](#)

My Work:

Online Deliverables: [Submissions](#), [Discussion Board](#), [Group Live Chat](#)

Assignment Details

My Group: **Group 2**

[Email Group](#)

Group Member

Contact

Group Work Submissions

Assignment Description

The decision was made to use a process costing system. The first month of operation went fairly smoothly, and the CFO is ready to prepare her journal entries but asked for your help because she has not done this before for a manufacturing company.

Data for month ending 1/31/200X	
Direct labor expended on jobs completed in month 1	\$100,000
Direct material used up	\$500,000
Budgeted manufacturing overhead	\$2,000,000
Budgeted production volume	4,000 units
Actual production volume	4,500 units
Supplies, indirect labor, maintenance repair costs totaled	\$2,200,000
Beginning work in process inventory	0
Ending work in process inventory	0

Individual Portion:

Using only the data in the chart, prepare the proper journal entries-including a date and notes showing any calculations-to record the following:

- Labor
- Direct material going into the work in progress (WIP) account
- Manufacturing overhead all being credited to accounts payable

Please add your file.

Your assignment will be graded in accordance with the following criteria. Click [here](#) to view the grading rubric.

Group Portion:

You, the CFO, and the rest of the accounting department now need to write a memo summarizing the data from the first month of using the process costing system operation.

Using only the data above, prepare a 300 to 400-word memo addressing all of these questions and showing all calculations:

- Why is calculating the predetermined overhead rate so important?
- Compute the firm's predetermined overhead rate.
- What would it mean if you mistakenly used too high a predetermined rate? What would it mean if you mistakenly used too low a predetermined rate?
- Compute the proper amount of overhead to apply.
- Compute the over- or under applied overhead.
- Prepare the journal entries to record the closing-out of the balance in manufacturing overhead to the appropriate accounts, and show any necessary calculations in the notes of the journal entry.

Please add your file.

Your assignment will be graded in accordance with the following criteria. Click [here](#) to view the grading rubric.

For assistance with your assignment, please use your text, Web resources, and all course materials.

Reading Assignment

Horngren, C., Datar, S., Foster, G., Rajan, M., & Ittner, C., chap. 4, 5 & 17


Assignment Objectives

- Assess cost concepts, describe cost flows, explain cost behavior, and estimate costs
- Evaluate the use of activity-based cost systems and strategic cost analysis
- Justify the uses and methods of job-order costing and the uses and methods of process costing

Other Information

There is no additional information to display at this time.

Legend

 Extra Credit

 View Assignment Rubric



[Privacy Policy](#) | [Terms of Use](#) | [About Our Ads](#) | [Contact Us](#)

© 2018 American InterContinental University.
All Rights Reserved. Authorized Users Only.