



# MANAGERIAL ACCOUNTING (135)

## Regional – 2020

### Multiple Choice & Short Answer:

Multiple Choice (15 @ 2 points) \_\_\_\_\_ (30 points)

Short Answers \_\_\_\_\_ (14 points)

### Production:

Problem 1: Journal Entries (24 @ 2 points) \_\_\_\_\_ (48 points)

Problem 2: Cost of Production Report \_\_\_\_\_ (27 points)

***TOTAL POINTS*** \_\_\_\_\_ (***119 points***)

**Judge/Graders: Please double check and verify all scores and answer keys!**

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*Workplace Skills Assessment Program* competition.



### General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

Your name and/or school name should ***not*** appear on any work you submit for grading. Write your contestant number in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

Percents rounded to two decimal places or the tenth percent (Ex: 22.8%)

### **Multiple Choice – 2 points each for a total of 30 points**

- |    |   |     |   |     |   |
|----|---|-----|---|-----|---|
| 1. | B | 6.  | B | 11. | B |
| 2. | C | 7.  | A | 12. | D |
| 3. | D | 8.  | C | 13. | B |
| 4. | A | 9.  | D | 14. | D |
| 5. | C | 10. | D | 15. | A |

### **Short Answers – 2 points for each bolded answer for a total of 14 points. Please allow abbreviations.**

16. **Direct Materials (DM) and Direct Labor (DL)**
17. **GAAP** – Generally Accepted Accounting Principles
18. **Direct Materials (DM), Direct Labor (DL) and Factory Overhead (FOH)**
19. **Period**



**Problem 1 Journal Entries (48 points)** 1 point for Account Name and 1 point for amount and debit/credit for a total of 48 points. Please allow abbreviations.

Record the following transactions in the General Journal provided on this page and the next for TakaMore Manufacturing Company. The company uses a job order cost accounting system. Use the letter in the date column.

- (a) Purchased \$532,000 of materials on account.
- (b) Paid for an annual insurance policy on the plant \$3,600.
- (c) Requisitioned \$610,000 of materials for production and \$22,000 for general factory use.
- (d) Factory labor used for production was \$414,800 and general factory was \$99,200.
- (e) Depreciation of factory equipment was \$8,000 and office equipment was \$2,500.
- (f) Factory overhead applied is \$303,700.
- (g) Factory overhead costs incurred on account is \$290,000.
- (h) Jobs completed totaled \$1,100,000.
- (i) Jobs sold to customers on account totaled \$2,800,000 with a cost of 1,300,000.

**General Journal**

Date	Description	Post Ref	Debit	Credit
(a)	Merchandise Inventory (Merch Inv)		532,000	
	Accounts Payable (Acct Pay or A/P)			532,000
(b)	Factory Overhead (FOH) <i>or</i> Prepaid Insurance		3,600	
	Cash			3,600
(c)	Work in Process (WIP)		610,000	
	Factory Overhead (FOH)		22,000	
	Materials Inventory (Merch Inv)			632,000
(d)	Work in Process (WIP)		414,800	
	Factory Overhead (FOH)		99,200	
	Wages Payable			514,000
(e)	Factory Overhead (FOH)		8,000	
	Depreciation Expense – Office Equip		2,500	
	Accumulated Depreciation – Factory			8,000
	Accumulated Depreciation – Office			2,500
(f)	Work in Process (WIP)		303,700	
	Factory Overhead (FOH)			303,700





**Problem 2 Cost of Production Report (27 points)**

*Grader: One point for each shaded box.*

O'Brien Drills manufactures drill bits. During the first quarter, O'Brien spent \$60,000 on direct materials, \$60,000 on direct labor, and \$50,720 on manufacturing overhead to start 60,000 units into production and complete 52,000 units. There was no beginning inventory, and the ending inventory was 42% complete. All materials are added at the beginning of the production process. Using the weighted-average method, prepare the production cost report for the assembly department by completing the shaded portions of the table below.

<b>O'Brien Drills</b>				
<b>Production Cost Report – Dept. I</b>				
<b>Quarter Ended March 31, 2020</b>				
		<b>Equivalent Units</b>		
<b>Units</b>	<b>Whole Units</b>	<b>Direct Materials</b>	<b>Conversion Costs</b>	<b>Totals</b>
<b>Units accounted for</b>				
<b>Completed &amp; transferred out</b>	52,000	52,000	52,000	
<b>End WIP</b>	8,000	8,000	3,360	
<b>Total units accounted for</b>	60,000	60,000	55,360	
<b>Costs</b>				
		<b>Direct Materials</b>	<b>Conversion Costs</b>	
<b>Costs to account for</b>				
<b>Beg WIP</b>		0	0	
<b>Costs added during period</b>		60,000	110,720	
<b>Total costs to account for</b>		60,000	110,720	170,720
<b>Cost per EUP</b>		\$1.00	\$2.00	\$3.00
<b>Costs accounted for</b>				
<b>Completed &amp; transferred out</b>		52,000	104,000	156,000
<b>End WIP</b>		8,000	6,720	14,720
<b>Total costs accounted for</b>		\$60,000	\$110,720	\$170,720