

Requirements

1. Draw a time line for the Mixing Department.
2. Use the time line to help you compute the number of equivalent units and the cost per equivalent unit in the Mixing Department for October.
3. Show that the sum of (a) cost of goods transferred out of the Mixing Department and (b) Ending work in process inventory—Mixing equals the total cost accumulated in the department during October.
4. Journalize all transactions affecting the company's mixing process during October, including those already posted.

P16A-19B Computing equivalent units and assigning costs to completed units and ending WIP inventory; two materials, added at different points; no beginning inventory or cost transferred in [30–45 min]

Root's Exteriors produces exterior siding for homes. The Preparation Department begins with wood, which is chopped into small bits. At the end of the process, an adhesive is added. Then the wood/adhesive mixture goes on to the Compression Department, where the wood is compressed into sheets. Conversion costs are added evenly throughout the preparation process. March data for the Preparation Department are as follows (in millions):

Sheets		Costs	
Beginning work in process inventory	0 sheets	Beginning work in process inventory	\$ 0
Started production	3,300 sheets	Costs adding during March:	
Completed and transferred out to		Wood	2,600
Compression in March	1,900 sheets	Adhesives	1,365
		Direct labor	640
Ending work in process inventory (45%		Manufacturing overhead	2,445
of the way through the preparation process)	1,400 sheets	Total costs	\$ 7,050

Requirements

1. Draw a time line for the Preparation Department.
2. Use the time line to help you compute the equivalent. (*Hint:* Each direct material added at a different point in the production process requires its own equivalent-unit computation.)
3. Compute the total costs of the units (sheets)
 - a. Completed and transferred out to the Compression Department.
 - b. In the Preparation Department's Ending work in process inventory.
4. Prepare the journal entry to record the cost of the sheets completed and transferred out to the Compression Department.
5. Post the journal entries to the Work in process inventory—Preparation T-account. What is the ending balance?

P16A-20B Computing equivalent units for a second department with beginning inventory; preparing a production cost report and recording transactions on the basis of the report's information; weighted-average method [45–60 min]

Claudia Carpet manufactures broadloom carpet in seven processes: spinning, dyeing, plying, spooling, tufting, latexing, and shearing. In the Dyeing Department, direct materials (dye) are added at the beginning of the process. Conversion costs are incurred evenly throughout the process. Claudia uses weighted-average process costing. Information for July 2011 follows: