Managerial Accounting
Chapter 5 - Job Order Costing
Answer Key

I.

a. Raw Materials
   Accounts Payable 240,000 240,000

b. Work in Process
   Manufacturing Overhead
   Raw Materials
   (230,000 x 8.5%) 34500
   (230000 x 15%) 230,000

(c) Manufacturing Overhead
   Cash (25000+10000+10000) 45,000 45,000

d. Manufacturing Overhead
   Administrative salaries expenses 25000
   Work in process
   Salaries & wages payable 75,000
   180,100 280,000

e. Manufacturing Overhead
   Depreciation expense 60,000
   Accumulated depreciation 15,000
   75,000

f. Manufacturing Overhead
   Property Insurance 15,000


Work in Process

Manufacturing Overhead

18000 = 4.5  ROHR

4/000

4.5 x 45000 = 202500

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h. Finished goods
   Work in process
   
   Accounts Receivable
   Sales
   Cost of goods sold
   Finished goods

   (Actual) Manufacturing Overhead (Applied)
   b. 34,500
   c. 45,000
   d. 25,000
   e. 60,000
   f. 15,000
   
   202,500
g.

   Manufacturing Overhead has been overapplied for
   \$ 23,000.

prepared by: [Signature]