**Exam 1 Multiple Choice - 35 MC questions from Chapters 1 and 2 in CengageNow**

**Exam 1 Written - 1 true false - 1 essay, 3 problems**

1) I agree to the following statement: I am enrolled in this course and completing this exam for myself. I am completing my own work and not discussing the content of this exam with anyone. I understand that violations of this policy will result in a 0.0 in the course.

**True**

**False**

2) In a brief but complete paragraph using your OWN words compare and contrast Financial and Managerial accounting. Your answer MUST include at least two differences and two similarities.

3) Show a picture of an item produced with numbers and have students identify the following:

DM, DL, Indirect labor, Indirect Materials, Manufacturing Overhead, Period cost, product cost.

Or if pictures could slow down testing use this one:

Jasnic Inc manufactures metal water bottles. The sheet metal used for the base of the water bottle cost $290,000. Advertising cost amount to $12,000. The managers of the manufacturing plant were paid $180,000. The production line workers were paid $78,000. The plastic o rings used in the water bottle had a high failure rate and were difficult to keep track of the related cost $3,250. Insurance on the plant cost $40,000 and corporate headquarters insurance cost $20,000. The corporate headquarters was rented at a cost of $63,000 and salesman were paid $12,000 in commission. Depreciation on the manufacturing equipment cost $55,000 and the plant utilities cost $66,000.

Identify the category(s) of each cost and provide the total amount for each category.

A) Direct Material

B) Direct Labor

C) Indirect Material

D) Indirect Labor

E) Manufacturing Overhead

F) Period Cost

G) Product Cost.

DONT FORGET TO SHOW ALL CALCULATIONS

4) Provide the basic information of a problem and have the students make the journal entries as the product moves through the production process.

Please journalize the following transactions for SITG Inc for the year ended December 31, 2011: Raw materials were purchased for $9,000 on account. $3,000 of the raw materials were moved onto the production floor. Labor of $18,000 was incurred for production workers.An the CFO told you to apply $ 23,000 in manufacturing overhead. On the final stop goods of $22,000 were transferred into finished goods.

5) Schedule of cost of goods manufactured.

The following information is available for Obsolete Books Inc. for 2012. Prepare a Schedule of Cost of Goods Manufactured in good form based on the information provided. Assume all the books are identical for this question.

Accounting Expense 36,000

Advertising Expense 8,000

Direct Labor (2,080 x 10.00 per hour) 20,800

Direct Materials purchased 18,500

Factory Equipment Depreciation 2,500

Factory Rent Expense 80,200

Factory Supervisor Wage Expense 41,200

Factory Utilities 1,350

Indirect Labor 12,3000

Indirect Materials 4,250

Office Equipment Depreciation 1,100

Office Expense 18,000

Office Utilities 620

Sales Commission Expense 1,200

Sales Revenue 250,000

Inventory Information Beginning Ending

Direct Materials Inventory 29,300 22,500

Work in Process Inventory 32,000 35,400

Finished Goods Inventory 18,000 12,000



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