



## Assessment Task – Tutorial Questions Assignment 1

**Unit Code:** HA2011

**Unit Name:** Management Accounting

**Assignment:** Tutorial Questions Assignment 1

**Due:** 11:30pm 15<sup>th</sup> May 2020

**Weighting:** 25%

**Total Assignment Marks:** 50 Marks

**Purpose:** This assignment is designed to assess your level of knowledge of the key topics covered in this unit

### **Unit Learning Outcomes Assessed:**

2. Calculate fixed and variable costs, contribution margin, contribution margin ratio, break-even point in sales dollars and units, and target sales volume in dollars and units.
3. Appraise how pricing decisions are made.
4. Calculate both return on investment and residual income and explain how each method is used.
6. Apply the concept of costs to various costing systems including justification of cost and system choices.
7. Implement systems to plan and control business operations.

**Description:** Each week students were provided with three tutorial questions of varying degrees of difficulty. These tutorial questions are available in the Tutorial Folder for each week on Blackboard. The Interactive Tutorials are designed to assist students with the process, skills and knowledge to answer the provided tutorial questions. Your task is to answer a selection of tutorial questions from weeks 1 to 5 inclusive and submit these answers in a single document.

The questions to be answered are:

**Week 1 Question (10 marks)**

Refer to the following information listed below:

Direct material used	\$150,000
Selling costs	\$5,000
Indirect labour	\$7,000
Administrative costs	\$10,000
Depreciation on factory equipment	\$70,000
Direct labour	\$40,000
Overtime premiums paid	\$20,000
Indirect materials	\$45,000

Based on the information provided above, calculate the **period costs**:

- A. \$15,000
- B. \$20,000
- C. \$190,000
- D. \$372,000

**Week 2 Question (10 marks)**

Yang Manufacturing makes a product called Yin. The relevant range of operations is between 2,500 units and 10,000 units of Yin per month. Per unit costs at two activity levels are as follows: 5,000 units at \$17.00 per unit; 7,500 units at \$13.00 per unit. Determine the **cost formula** that expresses the behaviour of Yang's total costs.

**Week 3 Question (10 marks)**

The following information relates to Wells Fargo for July 2008:

Actual direct labour costs	\$80,000
Actual direct labour rate per hour	\$8
Factory overhead rate per direct labour hour	\$12
Factory overhead incurred	\$160,000

Assuming underapplied or overapplied overhead is transferred to cost of goods sold at the end of the period, calculate the **cost of goods sold account**.

**Week 4 Question (10 marks)**

Fedora Inc. uses a weighted-average process costing system and has one production department. All materials are introduced at the start of manufacturing. In contrast, conversion cost is incurred uniformly throughout production. The company had respective work in process inventories on 1 May and 31 May of 62,000 units and 70,000 units, the latter of which was 40 per cent complete. The production supervisor noted that Fedora completed 100,000 units during the month.

Costs in the 1 May work in process inventory were subdivided as follows:

- Materials = \$40,000
- Conversion = \$90,000

During May Fedora charged production with \$300,000 of material and \$710,000 of conversion, resulting in a material cost per equivalent unit of \$2.

**Required:**

- i. Determine the number of units that Fedora started during May.
- ii. Compute the number of equivalent units with respect to conversion cost.
- iii. Determine the conversion cost per equivalent unit.
- iv. Compute the cost of the 31 May work in process inventory.
- v. What account would have been credited to record Fedora's completed production?

**Week 5 Question (10 marks)**

The following information relates to the Moonie Park Manufacturing Company for the year 2012.

Plant capacity	480,000 machine hours
Normal level of production	432,000 machine hours
Budgeted level of production	360,000 machine hours
Budgeted manufacturing overhead	\$2,160,000
Actual manufacturing overhead for the month of	\$175,000
Actual machine hours used for February 2012	35,000

Calculate the predetermined **overhead rates per machine hour** based on **practical capacity**, **normal capacity** and **budgeted capacity** respectively.



### **Submission Directions:**

The assignment has to be submitted via Blackboard. Each student will be permitted one submission to Blackboard only. **Each student needs to ensure that the document submitted is the correct one.**

### **Academic Integrity**

Academic honesty is highly valued at Holmes Institute. Students must always submit work that represents their original words or ideas. If any words or ideas used in a class posting or assignment submission do not represent the student's original words or ideas, the student must cite all relevant sources and make clear the extent to which such sources were used. Written assignments that include material similar to course reading materials or other sources should include a citation including source, author, and page number.

In addition, written assignments that are similar or identical to those of another student in the class is also a violation of the Holmes Institute's Academic Conduct and Integrity Policy. The consequence for a violation of this policy can incur a range of penalties varying from a 50% penalty through to suspension of enrolment. The penalty would be dependent on the extent of academic misconduct and the student's history of academic misconduct issues. All assessments will be automatically submitted to Safe-Assign to assess their originality.

### **Further Information:**

For further information and additional learning resources, students should refer to their Discussion Board for the unit.