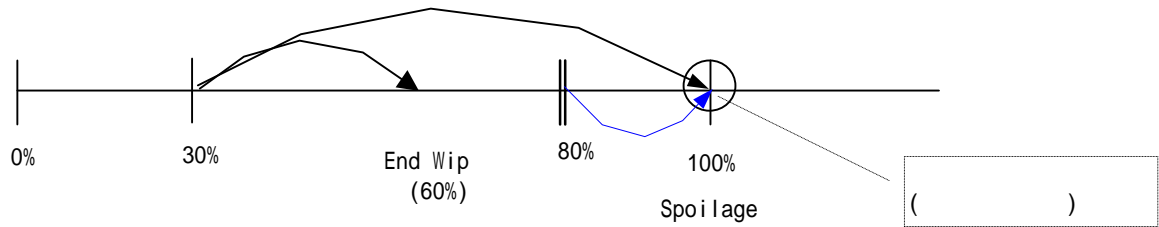


Spoilage



1. Normal spoilage() Product cost

가. > End WiP \Rightarrow 가
 80% 60%
 . < End WiP \Rightarrow END WiP
 30% 60%

2. Abnormal spoilage() Period cost(Expense)

#20] The Forming Department is the first of a two-stage production process. Spoilage is identified when the units have completed the Forming process. Costs of spoiled units are assigned to units completed and transferred to the second department in the period spoilage is identified. The following information concerns Forming's conversion costs in May 1999.

	units	conversion cost
Beg wip(50% complete)	2,000e	10,000\$
Units started during May	8,000e	75,500\$
Spoilage-normal	500e	
Units completed & transferred	7,000e	
Ending wip(80% complete)	2,500e	

Using the weighted-average method, what was Forming's conversion cost transferred to the second production department?

Input

Beg Wip	2,000e
Unit start	8,000e
	<u>10,000e</u>

Output

Unit complete	7,000e	E.U.	7,000e
Spoilage	500e		500e
End Wip	2,500e		2,000e
	<u>10,000e</u>		<u>9,500e</u>

DM
Conversion cost가 "0" 가

$$\text{cost per EU} = \$85,500 / 9,500\text{ea} = \$9 / \text{unit}$$

$$\Rightarrow \$9 * 7,500\text{ea} = \$67,500$$

#24] A department adds material at the beginning of a process and identifies defective units when the process is 40% complete. At the beginning of the period, there was no work in process. At the end of the period, the number of work in process units equaled the number of units transferred to finished goods. If all units in ending work in process were 66%(2/3) complete, then ending work in process should be allocated

