

Processing Costing

Mass production

continuous processing

가 ()

가

(1) 가

(2) 가

가

= 가 ()

Process Costing 5 가 (PECUA)

(1) Physical flow ()

Input = Output

Beg. Inv(WiP) + Unit Started
() ()

= End Inv(WiP) + Unit Complete

(2) Equivalent Unit ()

Wip

input

output

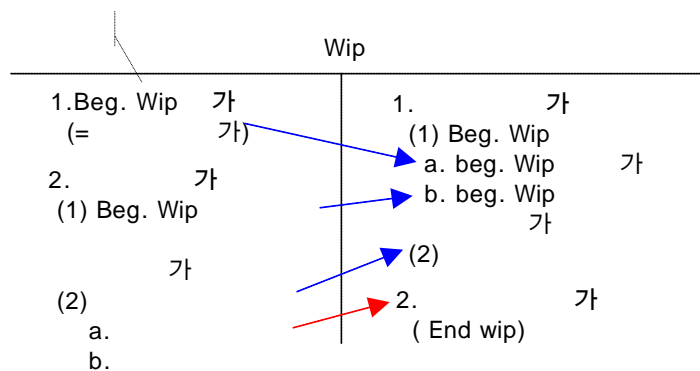
1) Beg.	1) Complete()
2) 가	- Beg. Wip
-	-
(가)	2) End wip
	-
	(&)

Cost

(3) WiP Dr
Input cost

(4) Cost per Equivalent unit
(가)

(5) Output cost
- to End Wip Inv
- To goods complete(& transfer out to the next wip or F/G a/c)
(가)



Equivalence Units()
()

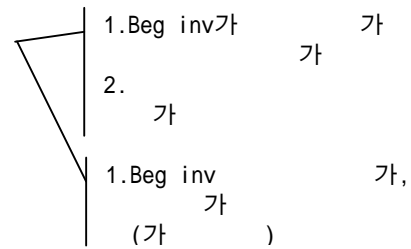
) 60% 10 --> 60
"100% (?) 가?"
 $10 * .6 = 6$

60% DM 50ea 600kg --> 50ea * 60% = 30ea

⇒ EU = (*) + (* 100%)

[1] Weight Average method: 가
: Beg inv

EU



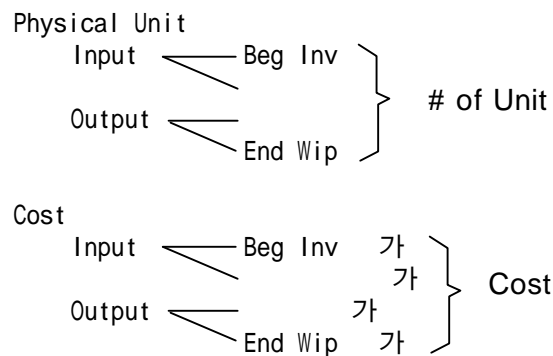
[2] FIFO:
: (Beg inv)

example]

Unit complete (100%) 10,000ea
End wip (25%, 60%) 4,000ea

E.U.	
DM	Conversion Cost
10,000ea	10,000ea
1,000ea	2,400ea
11,000ea	12,400ea

Prodcuton Cost Report: 가



] ()
 Beg Inv(40%, 80%) 2,000ea
 8,000ea
 End Inv(25%, 60%) 4,000ea

Step 1]

Input

Beg Inv 2,000ea
 + 12,000ea
 14,000ea

Output

Beg Inv 2,000ea
 8,000ea
 10,000ea

End Inv 4,000ea

Wip

input	output
1) Beg. Wip	1) Complete() 10,000
2)	
End inv 4,000	

Step 2] EU

		ea	Weight Average		FIFO	
			DM	Conver.	DM	Conver.
Beg Inv	(40%, 80%)	2,000ea 8,000ea	2,000ea 8,000ea	2,000ea 8,000ea	1,200ea 8,000ea	400ea 8,000ea
		10,000ea	10,000ea	10,000ea		
End Inv	(25%, 60%)	4,000ea	1,000ea	2,400ea	1,000ea	2,400ea
			11,000ea	12,400ea	10,200ea	10,800ea

Step 3] Input cost

가

Beg Wip cost 3,000\$
 가 27,000\$

Weight Average		FIFO	
DM	Conver.	DM	Conver.
2,000\$	1,000\$		
20,000\$	7,000\$	20,000\$	7,000\$
22,000\$	8,000\$	20,000\$	7,000\$

Step 4] Cost per EU

: 22,000 / 11,000 = 2\$
 : 7,000 / 10,800 = 0.645\$
 : 20,000 / 10,200 = 1.96\$
 : 7,000 / 10,800 = 0.648\$

Step 5] Cost(Output)

WA

End Wip 3,548\$ = 20,000\$ 6,450\$
 26,451\$ = 2,000\$ 1,548\$
 30,000\$

FIFO

Beg Inv BI 가 3,000\$ = 2,000\$ 1,000\$
 BI 2,611\$ = 2,352\$ 259\$
 20,864\$ = 15,680\$ 5,184\$
 End Wip 3,515\$ = 1,960\$ 1,555\$
 30,000\$

1,200 * 1.96
 8,000 * 0.648
 8,000 * 1.96

]

Wip #2	
input	output
1) Beg. Wip \$3,000	1) Complete() \$26,450
2) \$27,000	
End inv \$3,550	

Dr) WiP (or F/G) 26,450\$
Cr) WiP process #2 26,450\$