

Problem 4-19 (45 minutes)

Weighted-Average Method

1. Equivalent Units of Production

	<i>Materials</i>	<i>Conversion</i>
Transferred to bottling.....	160,000	160,000
Ending work in process:		
Materials: 40,000 units x 100% complete	<u>40,000</u>	
Conversion: 40,000 units x 25% complete		<u>10,000</u>
Equivalent units of production.....	<u>200,000</u>	<u>170,000</u>

2. Cost per Equivalent Unit

	<i>Materials</i>	<i>Conversion</i>
Cost of beginning work in process.....	\$ 25,200	\$ 24,800
Cost added during the period.....	<u>334,800</u>	<u>238,700</u>
Total cost (a).....	<u>\$360,000</u>	<u>\$263,500</u>
Equivalent units of production (b)	200,000	170,000
Cost per equivalent unit, (a) ÷ (b).....	\$1.80	\$1.55

3. Applying Costs to Units

	<i>Materials</i>	<i>Conversion</i>	<i>Total</i>
Ending work in process inventory:			
Equivalent units of production			
(materials: 40,000 units x			
100% complete; conversion:			
40,000 units x 25% complete)	40,000	10,000	
Cost per equivalent unit	\$1.80	\$1.55	
Cost of ending work in process			
inventory	\$72,000	\$15,500	\$87,500
Units completed and transferred out:			
Units transferred to the next			
department.....	160,000	160,000	
Cost per equivalent unit	\$1.80	\$1.55	
Cost of units completed and			
transferred out.....	\$288,000	\$248,000	\$536,000

Problem 4-19 (continued)

4. Cost Reconciliation

Costs to be accounted for:

Cost of beginning work in process inventory (\$25,200 + \$24,800)	\$ 50,000
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Costs added to production during the period (\$334,800 + \$238,700)	<u>573,500</u>
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Total cost to be accounted for	<u>\$623,500</u>
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Costs accounted for as follows:

Cost of ending work in process inventory	\$ 87,500
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Cost of units completed and transferred out ..	<u>536,000</u>
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Total cost accounted for	<u>\$623,500</u>
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