

PROBLEM 3-23 T-Account Analysis of Cost Flows [LO1, LO5, LO6, LO7]

Selected T-accounts for Rolm Company are given below for the just completed year:

Raw Materials			
Bal. 1/1	30,000	Credits	?
Debits	420,000		
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Bal. 12/31	60,000		

Manufacturing Overhead			
Debits	385,000	Credits	?

Work in Process			
Bal. 1/1	70,000	Credits	810,000
Direct materials	320,000		
Direct labor	110,000		
Overhead	400,000		
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Bal. 12/31	?		

Factory Wages Payable			
Debits	179,000	Bal. 1/1	10,000
		Credits	175,000
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		Bal. 12/31	6,000

Finished Goods			
Bal. 1/1	40,000	Credits	?
Debits	?		
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Bal. 12/31	130,000		

Cost of Goods Sold			
Debits	?		

Required:

1. What was the cost of raw materials put into production during the year?
2. How much of the materials in (1) above consisted of indirect materials?
3. How much of the factory labor cost for the year consisted of indirect labor?
4. What was the cost of goods manufactured for the year?
5. What was the cost of goods sold for the year (before considering underapplied or overapplied overhead)?
6. If overhead is applied to production on the basis of direct materials cost, what rate was in effect during the year?
7. Was manufacturing overhead underapplied or overapplied? By how much?
8. Compute the ending balance in the Work in Process inventory account. Assume that this balance consists entirely of goods started during the year. If \$32,000 of this balance is direct materials cost, how much of it is direct labor cost? Manufacturing overhead cost?