



MANAGERIAL ACCOUNTING (135)

—Post-secondary—
REGIONAL – 2016

Multiple Choice & Short Answer Section:

Multiple Choice (20 @ 2 points each) _____ (40 points)

Matching (50 @ 1 point each) _____ (50 points)

Production Portion:

Job 1: Job Order Costing _____ (88 points)

Job 2: Contribution Margin Income Statement _____ (75 points)

TOTAL POINTS _____ (***253 points***)

**Judge/Graders: Please double check and verify all
scores and answer keys!**

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Workplace Skills Assessment Program competition.



General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

Your name and/or school name should NOT appear on any work you submit for grading. Write your contestant number in the provided space. Staple all pages in order before you turn in your test.

Unless otherwise instructed, round all answers to 2 decimal places.



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ANSWER KEY
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Multiple Choice:

- 1) C
- 2) B
- 3) C
- 4) A
- 5) B
- 6) D
- 7) B
- 8) B
- 9) D
- 10) D
- 11) B
- 12) A
- 13) C
- 14) D
- 15) A
- 16) C
- 17) A
- 18) C
- 19) B
- 20) C



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Matching (1 point for each box)

Correctly identify each item with a Y or N (yes or no) in every box. Every box should have a response of Y or N.

	Direct Materials	Direct Labor	Manufacturing Overhead	Product Cost	Period Cost
Wages paid to factory custodian	N	N	Y	Y	N
Wood used by a furniture manufacturer	Y	N	N	Y	N
Electricity for a factory	N	N	Y	Y	N
Utilities for the corporate headquarters	N	N	N	N	Y
Wages paid to an assembly line worker	N	Y	N	Y	N
Depreciation on factory equipment	N	N	Y	Y	N
Sales commissions	N	N	N	N	Y
Wood glue used by a furniture manufacturer	N	N	Y	Y	N
Depreciation on sales delivery vehicle	N	N	N	N	Y
Salary for Plant Manager	N	N	Y	Y	N



Job 1: Job Order Costing (88 points):

Note to Grader: Each account is worth 2 points and each dollar amount is worth 2 points. Account titles may vary slightly but should be consistent in nature with the key.

PBA Corp. uses a job order cost system. The following data summarize the operations related to the first quarter's production. Prepare the journal entries for each item below (use the item number as the date).

1. Materials purchased on account \$192,000
2. Materials requisitioned and factory labor used by job:

Job No.	Materials	Factory Labor
A20	\$33,240	\$18,000
A21	42,920	24,000
A22	36,100	17,000
A23	41,270	25,000
General Factory Use	4,470	7,800
	\$158,000	\$91,800

3. Manufacturing overhead costs incurred on account \$39,500
4. Depreciation on machinery & equipment \$14,550
5. Manufacturing overhead rate is 80% of DL cost
6. Jobs completed during the quarter: A20, A21, & A23
7. Job A20 is sold for \$95,000 on account
8. Close the manufacturing overhead account

General Journal			
Date	Account	Debit	Credit
1)	Raw Materials	192,000	
	Accounts Payable		192,000
2)	Work in Process	153,530	
	Manufacturing Overhead	4,470	
	Raw Materials		158,000
	Work in Process	84,000	May be combined into one entry!
	Manufacturing Overhead	7,800	
	Wages Payable		91,800
3)	Manufacturing Overhead	39,500	
	Accounts Payable		39,500



Job 2: Contribution Margin Income Statement (75 points)

Note to Grader: The heading is worth 3 points (1 point per line). Each Account title is worth 3 points; the Variable Costs and Fixed Costs sub-headings are not worth any points. Each amount is worth 5 points. Account titles can vary slightly but should be similar in nature to the key. Specific expenses may be listed in any order within the correct category (variable and fixed).

The local theatre sells an average of 1,300 tickets for its production of the newest musical *Pip Pip Hooray!* Each ticket sells for \$60. There are 30 shows during the season, and each show has a cast of 65, who each earn an average of \$340 per show. The cast is paid after each show. Program-printing costs \$4 per guest. Annual fixed costs are \$400,000 for Depreciation and \$128,000 for Rent Expense.

Prepare a contribution margin income statement for *Pip Pip Hooray!* For the 30 shows performed during the 2016 season. Be sure to include the proper heading

<i>Pip Pip Hooray!</i>		
Contribution Margin Income Statement		Heading worth 1 point per line
Year Ended December 31, 2016		
Revenue	Account titles worth 3 points each	2,340,000
Variable Costs:		All amounts worth 5 points each
Wage Expense	663,000	
Program Expense	156,000	
Total Variable Costs		<u>(819,000)</u>
Contribution Margin		1,521,000
Fixed Costs:	Fixed Cost & Variable Cost subheadings not worth any points	
Depreciation Expense	400,000	
Rent Expense	128,000	
Total Fixed Costs		<u>(528,000)</u>
Net Income		<u>\$993,000</u>