ANAGERIAL ACCOUNTING (PS) - REGIONAL 2016	Contestant Number:
age 1 of 10	-

Time:	
Rank:	

MANAGERIAL ACCOUNTING (135)

—Post-secondary—

REGIONAL – 2016

Multiple Choice & Short Answer Section:

TOTAL POINTS	(253 points)
Job 2: Contribution Margin Income Statement	(75 points)
Job 1: Job Order Costing	(88 points)
Production Portion:	
Matching (50 @ 1 point each)	(50 points)
Multiple Choice (20 @ 2 points each)	(40 points)

Failure to adhere to any of the following rules will result in disqualification:

- 1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.
- 3. Electronic devices will be monitored according to ACT standards.

No more than ten (10) minutes orientation No more than 90 minutes testing time No more than ten (10) minutes wrap-up

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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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Multiple Choice:

Identify the letter of the choice that best completes the statement or answers the question.

- 1) For the year, PBA Corp. has cost of goods manufactured of \$600,000, beginning finished goods inventory of \$200,000, and ending finished goods inventory of \$250,000. The cost of goods sold is:
 - a) \$450,000
 - b) \$500,000
 - c) \$550,000
 - d) \$600,000
- 2) Conversion costs are the sum of:
 - a) Fixed and variable overhead costs
 - b) Labor costs and overhead costs
 - c) Direct materials costs and overhead costs
 - d) Direct and indirect labor costs
- 3) Which of the following is a mixed cost?

Cost	3,000 units	6,000 units
A	\$10,000	\$20,000
В	5,000	5,000
С	4,000	7,000

- a) A only
- b) B only
- c) C only
- d) None of the costs are mixed
- 4) PBA sells Peppermints for \$52 a pound. Variable costs are \$28 per pound and fixed costs of \$18,720. What is PBA's contribution margin per pound of peppermint?
 - a) \$24
 - b) \$80
 - c) \$14
 - d) \$104
- 5) Manufacturing overhead is under applied if:
 - a) Actual overhead is less than applied
 - b) Actual overhead is greater than applied
 - c) The predetermined rate equals the actual rate
 - d) Actual overhead equals applied overhead

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Use the following information to answer question 6:

Raw materials purchased and used	\$10,000
Administrative salaries	\$6,000
Wages of production workers	\$8,000
Depreciation of office furniture	\$2,500
Depreciation of manufacturing equipment	\$3,500
Sales	\$28,000

- 6) Product costs for the period were?
 - a) \$30,000
 - b) \$24,500
 - c) \$24,000
 - d) \$21,500
- 7) PBA & Co. expects overhead costs of \$360,000 per year and direct production costs of \$12 per unit. The estimated production activity for the 2017 accounting period is as follows:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Units Produced	11,500	9,000	8,250	11,250

The predetermined overhead rate based on units produced is (rounded to 2 decimal places).

- a) \$0.75 per unit
- b) \$9.00 per unit
- c) \$1.33 per unit
- d) \$21.00 per unit
- 8) Using the information from the above problem and assuming a predetermined overhead rate of \$5.00 per unit, how much overhead should be allocated to the 2nd Quarter?
 - a) \$1,800
 - b) \$45,000
 - c) \$200
 - d) \$108,000
- 9) Using the information from the above problem and assuming a predetermined overhead rate of \$5.00 per unit, what is the total cost per unit?
 - a) \$5
 - b) \$12
 - c) \$200
 - d) \$17
- 10) Management accounting information includes:
 - a) Results of customer satisfaction surveys
 - b) The cost of producing a product
 - c) Information regarding the percentage of defects
 - d) All of the above

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- 11) Management accounting is considered successful when it
 - a) Helps creditors better evaluate the company's performance
 - b) Helps managers make better decisions
 - c) Is reported annually
 - d) Is historically accurate
- 12) Which of the following does *not* affect the direct/indirect classification of a cost?
 - a) The level of budgeted profit for the next year
 - b) The materiality of the cost in question
 - c) Available technology to gather information about the cost
 - d) The design of the operation
- 13) A band of normal activity or volume in which specific cost-volume relationships are maintained is referred to as the
 - a) Average range
 - b) Cost driver range
 - c) Relevant Range
 - d) Cost-allocation Range
- 14) Which of the following is an ethical standard of managerial accountants as defined by the Institute of Management Accountants?
 - a) Competence
 - b) Integrity
 - c) Confidentiality
 - d) All of the above
- 15) When are period costs (non-inventoriable costs) expensed?
 - a) When they are incurred
 - b) Once per year
 - c) When the associated product is sold
 - d) At the end of every operating cycle
- 16) When are product costs (inventoriable costs) expensed?
 - a) When they are incurred
 - b) Once per year
 - c) When the associated product is sold
 - d) At the end of every operating cycle
- 17) Which type of company would use a job order cost system as opposed to a process costing system?
 - a) A CPA firm
 - b) A textbook publisher
 - c) A paper mill
 - d) A breakfast-cereal company

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b) Variable cost per unitc) Total fixed costd) Total variable cost

18) In a job order cost system, the Work In Process account serves as the the individual job cost sheets serve as the	and
3	
a) Main account; minor accounts	
b) Reflection account; reactive accounts	
c) Control account; subsidiary ledgers	
d) General ledger; special journals	
 19) When graphing the line of a mixed cost, what is the slope of the line equivaler a) Fixed cost per unit b) Variable cost per unit c) Total fixed cost d) Total variable cost 	at to?
20) When graphing the line of a mixed cost, what is the y-intercept equivalent to? a) Fixed cost per unit	

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Matching

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					
Wood used by					
a furniture					
manufacturer					
Electricity for					
a factory					
Utilities for					
the corporate					
headquarters					
Wages paid to					
an assembly					
line worker					
Depreciation					
on factory					
equipment					
Sales					
commissions					
Wood glue					
used by a					
furniture					
manufacturer					
Depreciation					
on sales					
delivery					
vehicle					
Salary for					
Plant Manager					

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Job 1: Job Order Costing:

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

	Ge	neral Journal	
Date	Account	Debit	Credit

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Job 2: Contribution Margin Income Statement

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. Programprinting 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			