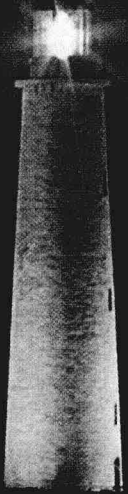


Garrison Noreen Brewer



Managerial Accounting

Eleventh Edition

Ray H. Garrison, D.B.A., CPA

Professor Emeritus
Brigham Young University

Eric W. Noreen, Ph.D., CMA

Professor Emeritus
University of Washington

Peter C. Brewer, Ph.D., CPA

Miami University—Oxford, Ohio



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Dedication

*To our families and
to our many colleagues who use this book.*



MANAGERIAL ACCOUNTING

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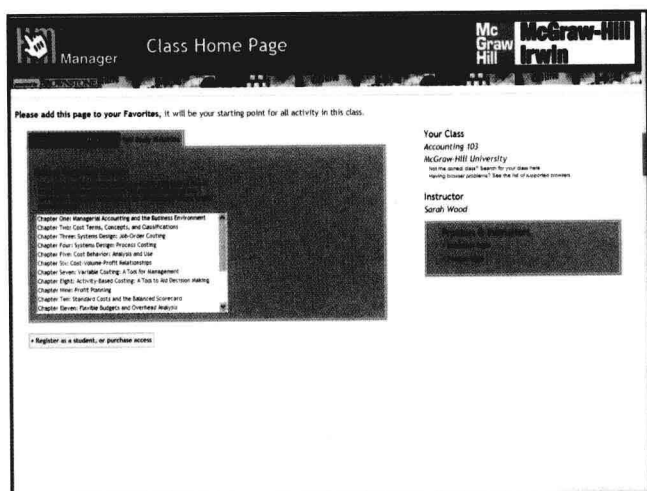
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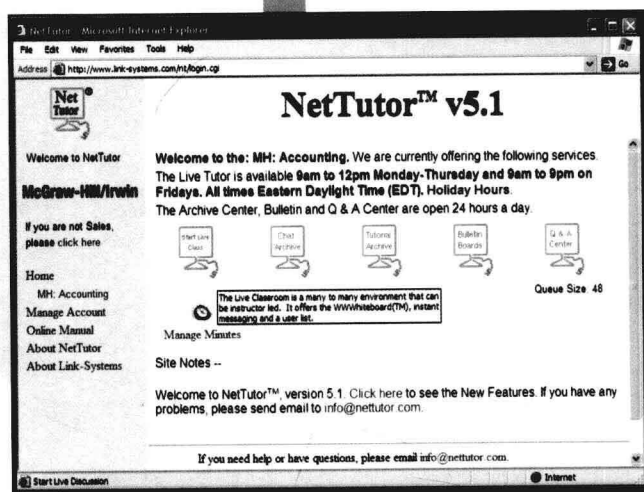


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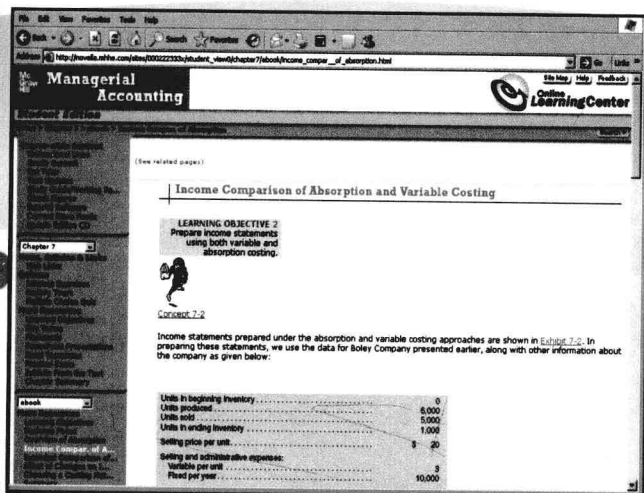
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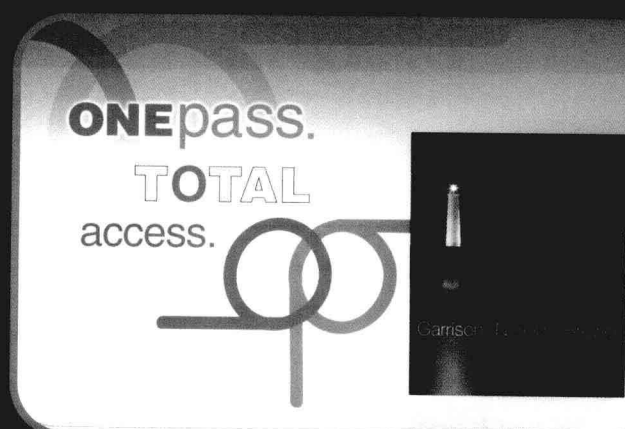
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New Search Refine Search

First select a field to search, then specify your search criteria within that field. Click New Search or Refine Search to execute your search. Questions matching your criteria will be selected in the panel below.

Add as Items Add as Group

☒ 1. Chapter 1 Exercises

- ☒ Exercise 1-1
- ☒ Exercise 1-2
- ☒ Exercise 1-5
- ☒ Exercise 1-6
- ☒ Exercise 1-7
- ☒ Exercise 1-10
- ☒ Exercise 1-11

☐ 2. Chapter 1 Cases

- ☐ Research Case 1-3
- ☐ Communication Case 1-6

Delete Move Up Move Down

Your assignment: Assignment 1
No questions have been chosen

Problem 2-13: (Appendix 2A) Classification of Labor Costs [LO8]

Lynn Bjorland is employed by Southern Laboratories, Inc., and is directly involved in preparing the company's ledger half (i.e., \$36 per hour) for any work in excess of 40 hours per week.

Required:

- Suppose that in a given week Lynn works 45 hours. Compute Lynn's total wages for the week. How much is allocated to direct labor cost? To manufacturing overhead cost?
- Suppose in another week that Lynn works 50 hours but is idle for 4 hours during the week due to equipment breakdown. Compute Lynn's total wages and fringe benefits for the week. How much is allocated to direct labor cost? To manufacturing overhead cost?
- Southern Laboratories has an attractive package of fringe benefits that costs the company \$8 for each hour of work. Compute Lynn's total wages and fringe benefits for the week. How much is allocated to direct labor cost? To manufacturing overhead cost?
- Refer to the data in (3) above. If the company treats that part of fringe benefits relating to direct labor as a direct labor cost? To manufacturing overhead cost?

1. Total wages for the week:

Regular time: 40 hours × \$24 per hour	\$ 960
Overtime: 5 hours × \$36 per hour	180
Total Wages	1140
Allocation of total wages:	
Direct labor: 45 hours × \$24 per hour	\$
Manufacturing overhead: 5 hours × \$12 per hour	

efficiently manage your class.



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Advanced

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- ☐ Send email reports to

Assignment Properties:

Passing score: out of 7

Time limit: minutes

Questions per page: 1



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Get Report

Name	Chapter 5 Homework	Chapter 4 Homework	Chapter 3 Homework	Total Weighted %
Andrea L. Abderhalden	10	10	10	30 0%
Adejunoke M. Adebayo		0	10	10 0%
Jon J. Agard	10	9.94	10	29.94 0%
Anthony J. Aglata		10	9.91	19.91 0%
Nicholas J. Ahrens			10	10 0%
Alexander S. Al Shatti	10	10	10	30 0%
Andrew A. Anderson			9.91	9.91 0%

Past Assignments

Select one of the assignments listed below and click the "See Details" button to see the student's answers and detailed grading, or to regrade an assignment.

Chapter 1 Homework

- ☐ 1/26/04 at 5:28 PM: homework 8.0 Time taken 1431 minutes.
- ☐ 1/25/04 at 5:30 PM: homework 8.94 Time taken 1431 minutes.

Chapter 2 Homework

- ☐ 1/28/04 at 5:34 PM: homework 9.63 Time taken 30 minutes.
- ☐ 1/28/04 at 4:57 PM: homework 6.78 Time taken 30 minutes.

Chapter 3 Homework

- ☐ 2/3/04 at 6:29 PM: homework 9.91 Time taken 51 minutes.

Professors can allow Homework Manager to give students helpful feedback.



Auto-grading and feedback.

Question 1: Score 6.5/8

Exercise 2-1: Using Cost Terms [LO2, LO5, LO7]

Following are a number of cost terms introduced in the chapter:

Period cost	Fixed cost
Variable cost	Prime cost
Opportunity cost	Conversion cost
Product cost	Sunk cost

Choose the cost term or terms above that most appropriately describe the costs identified in each of the following situations. A cost term can be used more than once.

1. Crestline Books, Inc., prints a small book titled *The Pocket Speller*. The paper going into the manufacture of the book would be called direct materials and classified as a **Product cost** (6%). In terms of cost behavior, the paper could also be described as a **Product cost** (0%) with respect to the number of books printed.
2. Instead of compiling the words in the book, the author hired by the company could have earned considerable fees consulting with business organizations. The consulting fees forgone by the author would be called **Opportunity cost** (6%).
3. The paper and other materials used in the manufacture of the book, combined with the direct labor cost involved, would be called **Prime cost** (6%).
4. The salary of Crestline Books' president would be classified as a **Product cost** (0%), and the salary will appear on the income statement as an expense in the time period in which it is incurred.
5. Depreciation on the equipment used to print the book would be classified by Crestline Books as a **Product cost** (6%). However, depreciation on any equipment used by the company in selling and administrative activities would be classified as a **Period cost** (6%). In terms of cost behavior, depreciation would probably be classified as a **Fixed cost** (6%) with respect to the number of books printed.
6. A **Product cost** (6%) is also known as an inventoriable cost.

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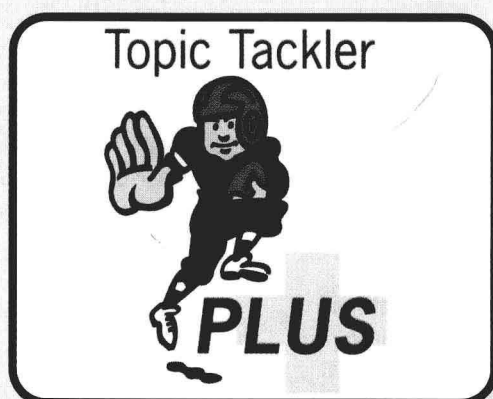
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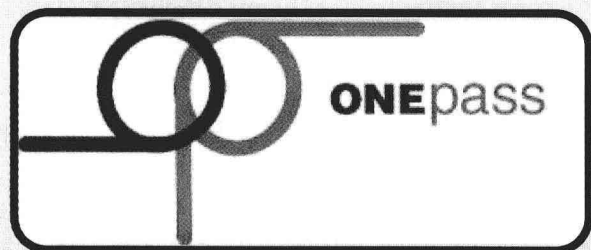
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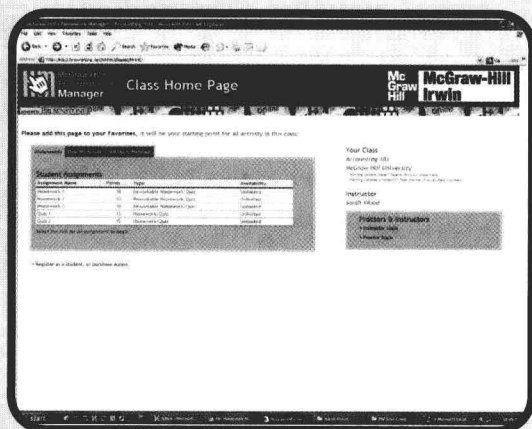
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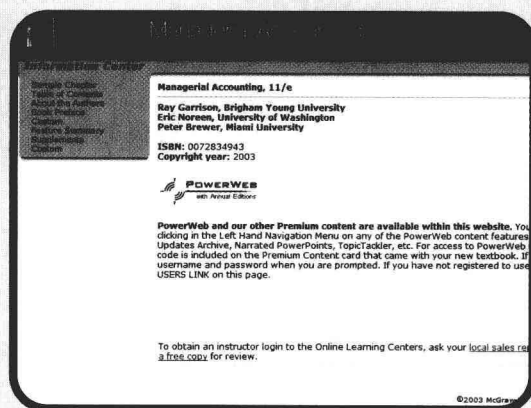


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Ray H. Garrison • Eric Noreen • Peter Brewer

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