

During May, the production department of a process manufacturing system completed a number of units of a product and transferred them to finished goods. Of these transferred units, 37,500 were in process in the production department at the beginning of May and 150,000 were started and completed in May. May's beginning inventory units were 60% complete with respect to materials and 40% complete with respect to conversion. At the end of May, 51,250 additional units were in process in the production department and were 60% complete with respect to materials and 20% complete with respect to conversion. The production department had \$505,035 of direct materials and \$396,568 of conversion cost charged to it during May. Its beginning inventory included \$74,075 of direct materials cost and \$28,493 of conversion cost.

1. Compute the number of units transferred to finished goods.
2. Compute the number of equivalent units with respect to both materials used and conversion used in the production department for May using the FIFO method.
3. Compute the direct materials cost and the conversion cost per equivalent unit for the department.
4. Using the FIFO method, assign May's costs to the units transferred to finished goods and assign costs to its ending work in process inventory.

Problem 20-6A^A

FIFO: Costs per

equivalent unit; costs assigned to products

C2 C4

Check (2) EUP for

materials, 195,750