

Ch 16 quiz study

When raw materials are purchased, the Work in Process Inventory account is debited. **False**

Manufacturing costs are generally incurred in one period and recorded in a subsequent period. **False**

Under an effective system of internal control, the authorization for issuing materials is made **on a prenumbered materials requisition slip**

There should be a separate job cost sheet for each job. **True**

When raw materials are received, there is no effort at this point to associate the cost of materials with specific jobs **true**

When a job is completed and all costs have been accumulated on a job cost sheet, the journal entry that should be made is

Finished Goods Inventory
Work In Process Inventory

Usually, under- or overapplied overhead is considered to be an adjustment to **cogs**

Raw Materials Inventory, Factory Labor, and Manufacturing Overhead are all control accounts in the general ledger when a job order cost accounting system is used. **False**

The predetermined overhead rate is based on the relationship between estimated annual overhead costs and expected annual operating activity expressed in terms of a common activity base. **True**

Requisitions for direct materials are posted daily to the individual job cost sheets. **True**

Kinney Company applies overhead on the basis of 150% of direct labor cost. Job No. 176 is charged with \$100,000 of direct materials costs and \$120,000 of manufacturing overhead. The total manufacturing costs for Job No. 176 is **\$300,000**

If the entry to assign factory labor showed only a debit to Work In Process Inventory, then all labor costs were **direct labor**