Cheatography

ACC801 - Test 1 Cheat Sheet

by David Atwell via cheatography.com/23596/cs/5248/

ABS Costing Income Statement CH Twelve

Egnatia Inc.
Absorption-Costing Income Statement
For the First Year of Operations

Sales (**Units Sold × Sale Price**)		$XXX,XXX
Cost of goods sold (**Units Sold × ABS COGS**)	$XXX,XXX	
Less: Over Applied overhead*	X,XXX	XXX,XXX
Gross profit		XXX,XXX
Less: Selling and administrative expenses**		XXX,XXX
** (Units sold × $(x)/ unit =XX,XXX) + $XXX,XXX fixed S&A=$XXX,XXX		
Operating income		$XXX,XXX

Variable Costing Income Statement

Egnatia Inc.
Variable-Costing Income Statement
For the First Year of Operations

Sales (##,### × $$)		$$$$,$$$S
Variable cost of goods sold (##,### × $$.$$)	$$$$,$$$	
Add: Underapplied variable overhead Given	$,$$$	($$$,$$$)
Variable selling expense (##,### × $$)		($$,$$$)
Contribution margin		$$$,$$$
Less:		
Fixed factory overhead (Calculated)	$$,$$$	
Selling and administrative expenses(given)	$$$,$$$	$$$,$$$
Operating income		$ $$$,$$$

Reconcile the difference between the two income statements.
=Fixed OH/Unit x Remaining units in inventory
=difference between to income statements

Ch Sixteen

Harrison, Inc.
Interim Standard Performance Report: Quality Costs
For the Year Ended December 31, 2011

	Actual Costs	Budgeted Costs	Variance
Prevention costs:			
Quality audits x #,#x $$,$$$	$ $$,$$$	$$,$$$[a]	$ $
Vendor certification#,#x $$,$$$	$$,$$$	$$,$$$[a]	$
Total prevention costs	$ $$,$$$	$ $$,$$$	$ $
Appraisal costs:			
Product acceptance#,#x$$,$$$	$ $$,$$$	$$,$$$[a]	$ $
Process acceptance #.# x$$,$$$	$$,$$$	$$,$$$[a]	$,$$$ F
Total appraisal costs	$ $$,$$$	$ $$,$$$	$ $,$$$ F
Internal failure costs:			
Retesting $$,$$$ x ##%	$ $$,$$$	$$$,$$$[b]	$ $,$$$ U
Rework$$,$$$x ##%	$$,$$$	$$,$$$[b]	$,$$$ U
Total internal failure costs	$ $$,$$$	$ $$,$$$	$ $,$$$ U
External failure costs:			
Recalls $$,$$$ x ##	$ $$,$$$	$$$,$$$[b]	$ $
Warranty $$$,$$$ x ##%	$$$,$$$	$$,$$$[b]	$$,$$$ U
Total external failure costs	$$$$,$$$	$$$$,$$$	$$$,$$$ U
Total quality costs	$$$$,$$$	$$$$,$$$	$$$,$$$ U
Percentage of sales	%%.%%	%.%%	%.%% U

Calculate the budgeted costs for 2013 and prepare an interim quality performance report.

The Taguchi Loss Function CH Sixteen

Given: Target Value (.X) and K = $X

Unit No.	Actual Diameter	$y - T$	$(y - T)^2$	$k(y - T)^2$

Taguchi Loss Function Ch Sixteen

QL	Quality Loss
K	c/d2
C	Loss at the lower or upper spec limit
D	Distance of limit from target value
Y	Actual value of Quality
T	Target Value of Quality

Ch.Thirteen Ext. Linkages ABS Supplier Costing

	Wood	Gardner
Purchase cost:		
$$$ × ###,###	$$,$$$,$$$	
$$$ × #,###,###		$$$$,$$$,$$$
Inspecting components:		
$$,$$$ × ##	$$,$$$	
$$,$$$ × #,###		$,$$$,$$$
Expediting work:		
$$,$$$ × ##	$$$,$$$	
$$,$$$ × ###		$,$$$,$$$
Reworking products		
$$,$$$ × ###	$$$,$$$	
$$,$$$ × #,###		$,$$$,$$$
Warranty work:		
$$,$$$ × ###	$,$$$,$$$	
$$,$$$ × #,###		$$,$$$,$$$
Total supplier cost	$$$,$$$,$$$	$$$$,$$$,$$$
Units supplied	÷ ###,###	÷ #,###,###
Unit cost	$ $$$.$$*	$ $$$.$$*

*Rounded to the nearest cent.

Calculate the cost per component for each supplier, taking into consideration the costs of the quality-related activities and using the current prices and sales volume.

Organizational Activities and Drivers

Structural Activities	*Structural Cost Drivers*
Building Plants	*Number of plants, scale, degree of centralization*
Management Structuring	*Management style and philosophy*
Grouping Employees	*Number and type of work units*
Complexity	*Number of product lines, number of unique processes, # of unique parts, degree of complexity*
Vertically Integrating	*Scope, Buying power, selling power*
Selecting and using processing technologies	*Types of process technologies expereince*
Executional Activities	**Executional Cost Driver**
Using Employees	*Degree of involvement*
Providing Quality	*Quality management approach*
Providing Plant Layout	*Plant layout efficiency*
Designing and Producing Prod	*Product configuration*
Providing Capacity	*Capacity utilization*

Sales Mix Variances Ch.Twelve

[(Product 1 Act Units Sold – Product 1 Budget Units Sold) x
(Product 1 Budget CM [Per Unit] - (Budget Avg Unit CM) +
(Product 2 Act Units Sold – Product 2 Budget Units Sold) x
(Product 2 Budget CM [Per Unit] - (Budget Average Unit CM)]

Ch Thirteen Activity-Based Supplier Costing

	Smith Glass		Wolf Glass	
	Side	WS	Side	WS
Adverse purchases:				
$$$ × ###	$$,$$$			
$$$ × ###			$$$,$$$	
$$$ × ###		$$,$$$		
$$$ × ###				$$$,$$$
Returns:				
$$$ × ###	$,$$$			
$$$ × ###			$$,$$$	
$$$ × ###		$,$$$		
$$$ × ###				$$,$$$
Total costs	$$,$$$	$$,$$$	$$$,$$$	$$$,$$$
Units	+$$,$$$	+$$,$$$	+ $$,$$$	+ ##,###
Unit cost	$ $,$$	$ $.$$	$ $.$$	$ $.$$
Unit purchase cost	$$,$$	$$$.$$	$$.$$	$$$.$$
Total unit cost	$ $$,$$	$$$.$$	$ $$.$$	$ $$$.$$

Calculate the activity rates for assigning costs to suppliers

Operational Activities and Drivers

Unit-Level Activities	**Unit-Level Drivers**
Grinding Parts	Grinding Machine Hours
Assembling Parts	Assembly Labour Hours
Drilling Holes	Drilling Machine Hours
Using Materials	Kilograms of Materials
Using Power	Number of Kwatt hours
Batch-Level Activities	**Batch-Level Drivers**
Setting up equipment	Number of Setups
Moving Batches	Number of Moves
Inspecting Batches	Inspection Hours
Reworking Products	Number of Defective Units
Product-Level Activites	**Product-Level Drivers**
Redesigning Products	# of change orders
Expediting	# of late orders
Scheudling	# of different products
Testing products	Testing Hours

Examples of Quality Costs by Category

Prevention Costs	**Appraisal (Detection) Costs**
Quality Engineering	*Inspection of Materials*
Quality Training	*Packaging Inspection*
Recruiting	*Product Acceptance*
Quality Audits	*Process Acceptance*
Design Reviews	*field Testing*
Quality Circles	*Continuing Supplier Verification*
Marketing Research	
Prototype Inspection	
Vendor Certification	
Internal Failure Costs	**External Failure Costs**
Scrap	*Lost Sales*
Rework	*Lost Market Share*
Downtime (Defect-Related)	*Custome rDissatisfaction*
Reinspection	*Ill Will*
Retesting	*Returns/Allowances*
Design Changes	*Recalls*
Repairs	*Warranties*
	Discoutns due to defects
	Product Liability
	Complaint Adjustment

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