(LO 4) **8.** Which of the following costs are classified as a period cost?
(a) Wages paid to a factory custodian.
(b) Wages paid to a production department supervisor.
(c) Wages paid to a cost accounting department supervisor.
(d) Wages paid to an assembly worker.

(LO 5) **9.** For the year, Redder Company 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.

(LO 5) **10.** Cost of goods available for sale is a step in the calculation of cost of goods sold of:
(a) a merchandising company but not a manufacturing company.
(b) a manufacturing company but not a merchandising company.
(c) a merchandising company and a manufacturing company.
(d) neither a manufacturing company nor a merchandising company.

(LO 6) **11.** A cost of goods manufactured schedule shows beginning and ending inventories for:
(a) raw materials and work in process only.
(b) work in process only.
(c) raw materials only.
(d) raw materials, work in process, and finished goods.

(LO 6) **12.** The formula to determine the cost of goods manufactured is:
(a) Beginning raw materials inventory + Total manufacturing costs − Ending work in process inventory.
(b) Beginning work in process inventory + Total manufacturing costs − Ending finished goods inventory.
(c) Beginning finished good inventory + Total manufacturing costs − Ending finished goods inventory.
(d) Beginning work in process inventory + Total manufacturing costs − Ending work in process inventory.

13. A manufacturer may report three inventories on its balance sheet: (1) raw materials, (2) work in process, and (3) finished goods. Indicate in what sequence these inventories generally appear on a balance sheet. (LO 7)
(a) (1), (2), (3)
(b) (2), (3), (1)
(c) (3), (1), (2)
(d) (3), (2), (1)

14. Which of the following managerial accounting techniques attempts to allocate manufacturing overhead in a more meaningful fashion? (LO 8)
(a) Just-in-time inventory.
(b) Total quality management.
(c) Balanced scorecard.
(d) Activity-based costing.

15. Corporate social responsibility refers to: (LO 8)
(a) the practice by management of reviewing all business processes in an effort to increase productivity and eliminate waste.
(b) an approach used to allocate overhead based on each product's use of activities.
(c) the attempt by management to identify and eliminate constraints within the value chain.
(d) efforts by companies to employ sustainable business practices with regard to employees and the environment.

Go to the book's companion website, www.wiley.com/college/weygandt, for additional Self-Test Questions.

✔ The Navigator

QUESTIONS

1. (a) "Managerial accounting is a field of accounting that provides economic information for all interested parties." Do you agree? Explain.
(b) Joe Delong believes that managerial accounting serves only manufacturing firms. Is Joe correct? Explain.

2. Distinguish between managerial and financial accounting as to (a) primary users of reports, (b) types and frequency of reports, and (c) purpose of reports.

3. How do the content of reports and the verification of reports differ between managerial and financial accounting?

4. In what ways can the budgeting process create incentives for unethical behavior?

5. Linda Olsen is studying for the next accounting midterm examination. Summarize for Linda what she should know about management functions.

6. "Decision-making is management's most important function." Do you agree? Why or why not?

7. Explain the primary difference between line positions and staff positions, and give examples of each.

8. What new rules were enacted under the Sarbanes-Oxley Act to address unethical accounting practices?

9. Tony Andres is studying for his next accounting examination. Explain to Tony what he should know about the differences between the income statements for a manufacturing and for a merchandising company.

10. Jerry Lang is unclear as to the difference between the balance sheets of a merchandising company and a manufacturing company. Explain the difference to Jerry.

11. How are manufacturing costs classified?

12. Mel Finney claims that the distinction between direct and indirect materials is based entirely on physical association with the product. Is Mel correct? Why?