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Time rem

Shown below is the sales forecast for Cooper Inc. for the first four months of the coming year

	Jan	Feb	Mar	Apr
Cash sales	$15,000	$24,000	$18,000	$14,000
Credit sales	$100,000	$130,000	$90,000	$70,000

On average, 50% of credit sales are paid for in the month of the sale, 30% in the month following sale, and the remainder are paid two mont the sale. Assuming there are no bad debts, the expected cash inflow in March is:

- $122,000
- $125,000
- $111,000
- $141,000

Hoi Chong Transport, Ltd., operates a fleet of delivery trucks in Singapore. The company has determined that if a truck is driven 168,000 kilometers during a year, the average operating cost is 13.2 cents per kilometer. If a truck is driven only 112,000 kilometers during a year, the average operating cost increases to 16.7 cents per kilometer.

Required:

1. Using the high-low method, estimate the variable operating cost per kilometer and the annual fixed operating cost associated with the fleet of trucks.
2. If a truck were driven 140,000 kilometers during a year, what total operating cost would you expect to be incurred?

Complete this question by entering your answers in the tabs below.

Required 1 | Required 2

Using the high-low method, estimate the variable operating cost per kilometer and the annual fixed operating cost associated with the fleet of trucks. (Do not round your intermediate calculations. Round the Variable cost per kilometer to 3 decimal places.)

Variable cost		per kilometer
Fixed cost		per year

< Required 1 | Required 2 >

10.

The company should drop a product that is making losses, if

- Fixed costs of that product are less than contribution margin.
- Lost revenues from dropping the product are greater than cost savings from dropping that product.
- More than 50% of the product fixed costs can be avoided.
- Cost savings from dropping that product are greater than lost revenues from dropping that product.

Question 3 (of 10)

Instructions | help

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3.

Time remaining: 0:49:19

Lindon Company is the exclusive distributor for an automotive product that sells for $28.00 per unit and has a CM ratio of 30%. The company's fixed expenses are $147,000 per year. The company plans to sell 19,500 units this year.

Required:
What amount of unit sales and dollar sales is required to attain a target profit of $63,000 per year?

	Unit sales needed to attain target profit	
	Dollar sales needed to attain target profit	

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4.

Giannini Inc., which produces and sells a single product, has provided the following contribution format income statement for March:

Sales (5,000 units)	$ 340,000
Variable expenses	175,000
Contribution margin	165,000
Fixed expenses	105,100
Net operating income	$ 59,900

Required:
Redo the company's contribution format income statement assuming that the company sells 5,200 units. **(Do not round intermediate calculations.)**

6.

Paradise Corporation budgets on an annual basis for its fiscal year. The following beginning and ending inventory levels (in units) are planned for next year.

	Beginning Inventory	Ending Inventory
Raw material*	44,000	54,000
Finished goods	84,000	54,000

* Three pounds of raw material are needed to produce each unit of finished product.

If Paradise Corporation plans to sell 500,000 units during next year, the number of units it would have to manufacture during the year would be:

- 500,000 units
- 456,000 units
- 530,000 units
- 470,000 units

7.

Holden Corporation produces three products, with costs and selling prices as follows:

	Product A		Product B		Product C	
Selling price per unit	$30	100%	$20	100%	$15	100%
Variable costs per unit	18	60%	15	75%	6	40%
Contribution margin per unit	$ 12	40%	$ 5	25%	$ 9	60%

A particular machine is the bottleneck. On that machine, 3 machine hours are required to produce each unit of Product A, 1 hour is required to produce each unit of Product B, and 2 hours are required to produce each unit of Product C. Rank the products from the most profitable to the least profitable use of the constrained resource (bottleneck). (Round your intermediate calculations to 2 decimal places.)

- A, C, B
- C, A, B
- B, C, A
- B, A, C

8.

Lusk Corporation produces and sells 15,200 units of Product X each month. The selling price of Product X is $22 per unit, and variable expenses are $16 per unit. A study has been made concerning whether Product X should be discontinued. The study shows that $73,000 of the $102,000 in monthly fixed expenses charged to Product X would not be avoidable even if the product was discontinued. If Product X is discontinued, the annual financial advantage (disadvantage) for the company of eliminating this product should be:

- ($62,200)
- $39,800
- $10,800
- ($39,800)

10.

The first step to separate mixed costs into fixed and variable components using high-low method would be:

- Subtract total fixed costs from total mixed cost.
- Calculate fixed cost per unit.
- Calculate Total fixed cost
- Calculate variable cost per unit.
- Multiply Variable cost per unit by number of units.

$8

13. ABC Corporation's **contribution margin ratio is 29%**, and its **fixed monthly expenses are $17,000**. If the company's **sales for a month are $98,000**, what is the best estimate of the company's net operating income? Assume that the fixed monthly expenses do not change.

Answer:

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9.

If the contribution margin is not sufficient to cover fixed expenses:

- a loss occurs.
- contribution margin is negative.
- variable expenses equal contribution margin.
- total profit equals total expenses.

5.

Shown below is the sales forecast for Cooper Inc. for the first four months of the coming year

	Jan	Feb	Mar	Apr
Cash sales	$15,000	$24,000	$18,000	$14,000
Credit sales	$125,000	$120,000	$90,000	$70,000

On average, 50% of credit sales are paid for in the month of the sale, 30% in the month following sale, and the remainder are paid two months after the month of the sale. Assuming there are no bad debts, the expected cash inflow in March is:

- $124,000
- $143,000
- $113,000
- $127,000

Question 6 (of 10)

6.

Paradise Corporation budgets on an annual basis for its fiscal year. The following beginning and ending inventory levels (in units) are planned for next year.

	Beginning Inventory	Ending Inventory
Raw material*	44,000	54,000
Finished goods	84,000	54,000

* Three pounds of raw material are needed to produce each unit of finished product.

If Paradise Corporation plans to sell 500,000 units during next year, the number of units it would have to manufacture during the year would be:

- 500,000 units
- 456,000 units
- 530,000 units
- 470,000 units

10.

The first step to separate mixed costs into fixed and variable components using high-low method would be:

- Subtract total fixed costs from total mixed cost.
- Calculate fixed cost per unit.
- Calculate Total fixed cost
- Calculate variable cost per unit.
- Multiply Variable cost per unit by number of units.

8.

Lusk Corporation produces and sells 15,200 units of Product X each month. The selling price of Product X is $22 per unit, and variable expenses are $16 per unit. A study has been made concerning whether Product X should be discontinued. The study shows that $73,000 of the $102,000 in monthly fixed expenses charged to Product X would not be avoidable even if the product was discontinued. If Product X is discontinued, the annual financial advantage (disadvantage) for the company of eliminating this product should be:

- ($62,200)
- $39,800
- $10,800
- ($39,800)

Save

Time rem

Shown below is the sales forecast for Cooper Inc. for the first four months of the coming year

	Jan	Feb	Mar	Apr
Cash sales	$15,000	$24,000	$18,000	$14,000
Credit sales	$100,000	$130,000	$90,000	$70,000

On average, 50% of credit sales are paid for in the month of the sale, 30% in the month following sale, and the remainder are paid two mont
the sale. Assuming there are no bad debts, the expected cash inflow in March is:

- $122,000
- $125,000
- $111,000
- $141,000

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3.

Time remaining: 0:49:19

Lindon Company is the exclusive distributor for an automotive product that sells for $28.00 per unit and has a CM ratio of 30%. The company's fixed expenses are $147,000 per year. The company plans to sell 19,500 units this year.

Required:
What amount of unit sales and dollar sales is required to attain a target profit of $63,000 per year?

	Unit sales needed to attain target profit	
	Dollar sales needed to attain target profit	

10.

The company should drop a product that is making losses, if

- ○ Fixed costs of that product are less than contribution margin.
- ○ Lost revenues from dropping the product are greater than cost savings from dropping that product.
- ○ More than 50% of the product fixed costs can be avoided.
- ○ Cost savings from dropping that product are greater than lost revenues from dropping that product.

Quiz 2 19-20(1) 12-12-2019 12:00 -2:00

< Question 3 (of 10) >

Sufra Corporation is planning to sell 120,000 units for $3.30 per unit and will break even at this level of sales. Fixed expenses will be $114,000. What are the company's variable expenses per unit?

- $0.95
- $3.14
- $2.35
- $1.40

Time remaining: 0:17:20

The management of AAA Corporation is considering dropping product M2. Data from the company's budget for the upcoming year appear below:

Sales	$960,000
Variable expenses	$392,000
Fixed manufacturing expenses	$374,000
Fixed selling and administrative expenses	$254,000

In the company's accounting system all fixed expenses of the company are fully allocated to products. Further investigation has revealed that $241,000 of the fixed manufacturing expenses and $202,000 of the fixed selling and administrative expenses are avoidable if product M2 is discontinued. The financial advantage (disadvantage) for the company of eliminating this product for the upcoming year would be:

- $125,000
- $60,000
- $(60,000)
- $(125,000)

8.

Lusk Corporation produces and sells 15,200 units of Product X each month. The selling price of Product X is $22 per unit, and variable expenses are $16 per unit. A study has been made concerning whether Product X should be discontinued. The study shows that $73,000 of the $102,000 in monthly fixed expenses charged to Product X would not be avoidable even if the product was discontinued. If Product X is discontinued, the annual financial advantage (disadvantage) for the company of eliminating this product should be:

- ($62,200)
- $39,800
- $10,800
- ($39,800)

9.

Which of the following statements is not correct?

- The cash budget must be prepared prior to the sales budget because managers want to know the expected cash collections on sales made to customers in prior periods before projecting sales for the current period.
- The sales budget generally is accompanied by a computation of expected cash receipts for the forthcoming budget period.
- The sales budget is the starting point in preparing the master budget.
- The sales budget is constructed by multiplying the expected sales in units by the sales price

9.

Which of the following statements is not correct?

- The cash budget must be prepared prior to the sales budget because managers want to know the expected cash collections on sales made to customers in prior periods before projecting sales for the current period.
- The sales budget generally is accompanied by a computation of expected cash receipts for the forthcoming budget period.
- The sales budget is the starting point in preparing the master budget.
- The sales budget is constructed by multiplying the expected sales in units by the sales price

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Question 2 (of 10)

Mauro Products distributes a single product, a woven basket whose selling price is $16 per unit

Required:
1. Calculate the company's break-even point in unit sales.
2. Calculate the company's break-even point in dollar sales. **(Do not round intermediate calc**
3. If the company's fixed expenses increase by $600, what would become the new break-even

1.	Break-even point in unit sales	2,200	baskets
2.	Break-even point in dollar sales	$ 35,200	
3.	Break-even point in unit sales	200	baskets
	Break-even point in dollar sales	$ 3,200	

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2.

Mauro Products distributes a single product, a woven basket whose selling price is $24 per unit and whose variable expense is $20 per unit. The company's monthly fixed expense is $7,200.

Required:
1. Calculate the company's break-even point in unit sales.
2. Calculate the company's break-even point in dollar sales. **(Do not round intermediate calculations.)**
3. If the company's fixed expenses increase by $600, what would become the new break-even point in unit sales? In dollar sales? **(Do not round intermediate calculations.)**

1.	Break-even point in unit sales		baskets
2.	Break-even point in dollar sales		
3.	Break-even point in unit sales		baskets
	Break-even point in dollar sales		

5.

Shown below is the sales forecast for Cooper Inc. for the first four months of the coming year

	Jan	Feb	Mar	Apr
Cash sales	$15,000	$24,000	$18,000	$14,000
Credit sales	$100,000	$120,000	$110,000	$70,000

On average, 50% of credit sales are paid for in the month of the sale, 30% in the month following sale, and the remainder are paid two months after the month of the sale. Assuming there are no bad debts, the expected cash inflow in March is:

- $148,000
- $129,000
- $132,000
- $118,000

i Chong Transport, Ltd. operates a fleet of delivery trucks in Singapore. The company has determined that if a truck is driven 99,000 kilometers during a year, the average operating st is 10.6 cents per kilometer. If a truck is driven only 66,000 kilometers during a year, the average operating cost increases to 11.9 cents per kilometer.

equired:

Using the high-low method, estimate the variable operating cost per kilometer and the annual fixed operating cost associated with the fleet of trucks.

If a truck were driven 82,500 kilometers during a year, what total operating cost would you expect to be incurred?

Complete this question by entering your answers in the tabs below.

Required 1 | Required 2

Using the high-low method, estimate the variable operating cost per kilometer and the annual fixed operating cost associated with the fleet of trucks. (Do not round your intermediate calculations. Round the Variable cost per kilometer to 3 decimal places.)

Variable cost		per kilometer
Fixed cost		per year

< Required 1 | Required 2 >

Question 3 (of 10)

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Time remaining: 0:41:24

Lindon Company is the exclusive distributor for an automotive product that sells for $56.00 per unit and has a CM ratio of 30%. The company's fixed expenses are $411,600 per year. The company plans to sell 29,300 units this year.

Required:
What amount of unit sales and dollar sales is required to attain a target profit of $243,600 per year?

	Unit sales needed to attain target profit	
	Dollar sales needed to attain target profit	

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10.

The following equation will be used to calculate variable cost per unit in high-low method

- Variable cost/unit = Δ volume of activity ÷ Δ total cost
- Variable cost/unit = Δ total variable cost ÷ Δ volume of activity
- Variable cost/unit = Δ volume of activity ÷ Δ total variable cost
- Variable cost/unit = Δ total cost ÷ Δ volume of activity

7.

Time remaining: 0:14:51

An automated turning machine is the current constraint at Jordison Corporation. Three products use this constrained resource. Data concerning those products appear below:

	X	Y	Z
Selling price per unit	$346.18	$409.29	$160.46
Variable cost per unit	$281.70	$ 311.25	$106.40
Minutes on the constraint	5.20	8.60	3.40

Rank the products in order of their current profitability from most profitable to least profitable. In other words, rank the products in the order in which they should be emphasized. **(Round your intermediate calculations to 2 decimal places.)**

- Z, X, Y
- Y, X, Z
- X, Y, Z
- Y, Z, X

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Question

Which of the following would not affect the break-even point?

- variable expense per unit
- number of units sold
- selling price per unit
- total fixed expense

Question 9 (of 10)

9.

There are various budgets within the master budget. One of these budgets is the production budget. Which of the following BEST describes the production budget?

- It summarizes the costs of producing units for the budget period.
- It is calculated based on the sales budget and the desired ending inventory.
- It details the required direct labor hours.
- It details the required raw materials purchases.

Budgeted production needs are determined by:

- adding budgeted sales in units to the beginning inventory in units and deducting the desired ending inventory in units from this total.
- deducting the beginning inventory in units from budgeted sales in units
- adding budgeted sales in units to the desired ending inventory in units and deducting the beginning inventory in units from this total
- adding budgeted sales in units to the desired ending inventory in units

There are various budgets within the master budget. One of these budgets is the production budget. Which of the following BEST describes the production budget?

- It summarizes the costs of producing units for the budget period.
- It is calculated based on the sales budget and the desired ending inventory.
- It details the required direct labor hours.
- It details the required raw materials purchases.

B124 Quiz 2 KSA [21-11-2021] 12:00 - 1:00 pm

Question 2 (of 10)

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Time remaining: 0:06:43

2.

Mauro Products distributes a single product, a woven basket whose selling price is $16 per unit and whose variable expense is $13 per unit. The company's monthly fixed expense is $6,600.

Required:

1. Calculate the company's break-even point in unit sales.
2. Calculate the company's break-even point in dollar sales. **(Do not round intermediate calculations.)**
3. If the company's fixed expenses increase by $600, what would become the new break-even point in unit sales? In dollar sales? **(Do not round intermediate calculations.)**

1.	Break-even point in unit sales		2,200	baskets
2.	Break-even point in dollar sales	$	35,200	
3.	Break-even point in unit sales		200	baskets
	Break-even point in dollar sales	$	3,200	

1- ZX company manufactures a switch that uses in its final product but company to buy switches from other. Should company buy if the incremental costs of making exceed to incremental costs to buy.

A. Should buy the product

B. Should make the product

C. Don’t buy the product

D. None of the above