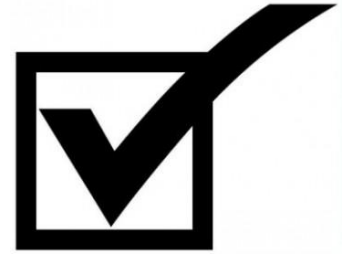


**BUSINESS  
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# **MANAGERIAL ACCOUNTING**

## **(135)**

## **REGIONAL 2026**

### **CONCEPT KNOWLEDGE:**

Multiple Choice (25 @ 4 points each) \_\_\_\_\_ (100 points)

### **APPLICATION KNOWLEDGE:**

Short Answer (25 @ 2 points each) \_\_\_\_\_ (50 points)

Problem 1: Job Order Costing and Overhead Allocation  
(8 @ 3 points each) \_\_\_\_\_ (24 points)

Problem 2: Process Costing and Equivalent Units  
(10 @ 5 points each) \_\_\_\_\_ (50 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(224 points)***

**Test Time: 90 minutes**

**MULTIPLE CHOICE** (4 points each/100 total points)

1.	C	16.	B
2.	C	17.	C
3.	C	18.	B
4.	C	19.	B
5.	B	20.	B
6.	A	21.	B
7.	C	22.	B
8.	B	23.	B
9.	B	24.	C
10.	B	25.	B
11.	C		
12.	B		
13.	B		
14.	C		
15.	A		

**Short Answer** (25 @ 2 points each (highlighted for easier grading))

1. Total Overhead ÷ Machine Hrs;  $\$200,000 \div 50,000$ ; **\$4 per hour**

2. Total = DM + DL + OH;  $\$5,000 + \$2,000 + \$3,500$ ; **\$10,500**

3. Completed + (Ending Inventory × %);  $8,000 + (2,000 \times 0.5)$ ; **9,000 units**

4. Total Cost ÷ Activity Driver;  $\$120,000 \div 6,000$ ; **\$20/hour**

5.

Account	Debit	Credit
Work in Process Inventory	\$12,000	
Factory Overhead	\$3,000	
Raw Materials Inventory		\$15,000

6.

- **Fixed cost:** Factory rent (\$10,000 per month)
- **Variable cost:** Direct materials (\$5 per unit)
- **Mixed cost:** Utility bill (\$500 base + \$0.10 per kilowatt-hour)

7. Predetermined Overhead Rate = Estimated Overhead ÷ Estimated Direct Labor Hours  
 $= \$100,000 \div 20,000 \text{ hours} = \mathbf{\$5 \text{ per hour}}$   
 Total Overhead Applied = Actual Direct Labor Hours × Predetermined Overhead Rate  
 $= 18,000 \times \$5 = \mathbf{\$90,000}$

8.

- Break-Even Point (Units) = Fixed Costs ÷ (Selling Price - Variable Cost)  
=  $\$40,000 \div (\$50 - \$30) = \$40,000 \div \$20 = \mathbf{2,000 \text{ units}}$
- Units for Target Profit = (Fixed Costs + Target Profit) ÷ Contribution Margin per Unit  
=  $(\$40,000 + \$20,000) \div (\$50 - \$30) = \$60,000 \div \$20 = \mathbf{3,000 \text{ units}}$

**Problem 1:** Job Order Costing and Overhead Allocation (8 @ 3 points each; 24 points total)**Part A:**

Cost Component	Amount
Direct Materials	\$12,000
Direct Labor	\$5,000
Applied Overhead	\$4,000
<b>Total Cost</b>	<b>\$21,000</b>

**Part B:**

Account	Debit	Credit
Finished Goods Inventory	21,000	
Work in Process Inventory		21,000

**Problem 2:** Process Costing and Equivalent Units (10 @ 5 points each; 50 points total)**Part A:**

Component	Result
Direct Materials	10,000
Conversion Costs	8,500

**Part B:**

Cost Component	Total Cost	EUP	Cost Per Unit
Direct Materials	\$30,000	10,000	\$3.00
Conversion Costs	\$40,000	8,500	\$4.71

The table below is intended for calculation use only.

Cost Allocation	Completed Units	Ending Inventory
Direct Materials	$7,000 \times \$3.00 = \$21,000$	$3,000 \times \$3.00 = \$9,000$
Conversion Costs	$7,000 \times \$4.71 = \$32,970$	$3,000 \times (50\% \times \$4.71) = \$7,065$

**Total Costs:**

- **Completed Units:**  $\$21,000 + \$32,970 = \$53,970$
- **Ending Inventory:**  $\$9,000 + \$7,065 = \$16,065$