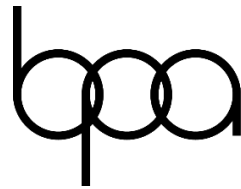


Contestant ID: \_\_\_\_\_

Time: \_\_\_\_\_

Rank: \_\_\_\_\_



**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**

### GENERAL GUIDELINES.

Failure to follow any of these rules may result in disqualification:

1. **Submission Requirements:** Contestants must submit this test booklet along with any printouts.
2. **Permitted Items:** Only the equipment, supplies, and materials specified for this event are allowed in the testing area. Previous BPA tests and sample tests (whether handwritten, photocopied, or typed) are not permitted.
3. **Electronic Devices:** Electronic devices will be monitored according to ACT standards.

### EXAM GUIDELINES.

You've been hired as a Financial Assistant to manage the accounting records for Digital Solutions, located at 1365 King Avenue, Columbus, Ohio 43212. Digital Solutions offers accounting and financial services to clients. Your tasks will include managing both the company's and clients' accounting records.

#### Exam Details:

- **Duration:** You have 90 minutes to complete the exam.
- **Structure:** The test is divided into two parts: Concept Knowledge and Application Knowledge.

#### Important Instructions:

- **Identification:** Do not write your name or school name on any submitted work. Instead, write your Contestant ID in the provided space.
- **Submission:** Staple all pages in order before turning in your test.

#### Assumptions for the Exam:

- Round all calculations to two decimal places at the final step.
- Round all percentages to one decimal place.
- Use 360 days for interest calculations.

**Multiple Choice Questions** (25 @ 2 pts each)

*Directions:* Identify the letter of the choice that best completes the statement or answers the question.

1. \_\_\_\_\_ costing assigns costs to specific pools or batches, making it suitable for custom products or services.
  - A. Process
  - B. Job-order
  - C. Activity-based
  - D. Absorption
2. What type of account is debited when direct materials are used in production?
  - A. Finished Goods Inventory
  - B. Factory Overhead
  - C. Work in Process Inventory
  - D. Raw Materials Inventory
3. The cost of production report includes all the following EXCEPT:
  - A. Equivalent units of production
  - B. Total costs incurred during the period
  - C. Cost of goods sold
  - D. Costs assigned to completed and ending inventory
4. The difference between absorption costing and variable costing lies in the treatment of \_\_\_\_\_.
  - A. direct materials
  - B. direct labor
  - C. manufacturing overhead
  - D. selling expenses
5. Which of the following is an example of a period cost under absorption costing?
  - A. Direct materials
  - B. Sales commissions
  - C. Factory rent
  - D. Assembly worker wages
6. In activity-based costing (ABC), costs are allocated to products based on \_\_\_\_\_ rather than volume.
  - A. activities
  - B. units produced
  - C. labor hours
  - D. machine time
7. Which cost is NOT included in the manufacturing overhead?
  - A. Factory supervisor's salary
  - B. Depreciation on factory equipment
  - C. Direct labor wages
  - D. Factory utilities

8. Which of the following best describes the primary purpose of managerial accounting?
- A. Preparing financial statements for investors
  - B. Providing information for internal decision-making
  - C. Recording historical financial data
  - D. Ensuring compliance with accounting standards
9. Job-order costing is most appropriate for \_\_\_\_\_.  
A. mass production of identical goods  
B. custom furniture manufacturing  
C. oil refining  
D. continuous chemical production
10. The total manufacturing cost includes direct materials, direct labor, and \_\_\_\_\_.  
A. factory rent  
B. manufacturing overhead  
C. administrative expenses  
D. selling expenses
11. In process costing, the journal entry to record direct materials used in a department includes a \_\_\_\_\_.  
A. debit to Raw Materials Inventory  
B. credit to Factory Overhead  
C. debit to Work in Process Inventory  
D. credit to Finished Goods Inventory
12. What is the primary difference between managerial and financial accounting?  
A. Financial accounting is for internal users, while managerial is for external users  
B. Managerial accounting focuses on future projections, while financial accounting focuses on historical data  
C. Financial accounting does not follow GAAP, while managerial does  
D. Managerial accounting reports are mandatory, while financial accounting reports are optional
13. In an activity-based costing system, cost drivers are \_\_\_\_\_.  
A. only volume-based measures  
B. activities that cause costs to change  
C. manufacturing overhead expenses  
D. direct costs allocated to specific jobs
14. The formula for calculating the predetermined overhead rate is \_\_\_\_\_ divided by \_\_\_\_\_.  
A. actual overhead; actual activity base  
B. estimated overhead, actual activity base  
C. estimated overhead, estimated activity base  
D. actual overhead; estimated activity base

15. The process of assigning costs to specific cost objects, such as products or departments, is called cost \_\_\_\_\_.  
A. allocation  
B. budgeting  
C. analysis  
D. averaging
16. What is the main objective of activity-based costing (ABC)?  
A. To reduce direct labor costs  
B. To allocate overhead based on cost drivers  
C. To simplify cost calculations  
D. To create financial statements
17. Which of the following is an example of a direct cost?  
A. Factory supervisor's salary  
B. Machine maintenance  
C. Raw materials used in production  
D. Factory rent
18. A predetermined overhead rate is calculated \_\_\_\_\_.  
A. at the end of each accounting period  
B. before the period begins  
C. after all costs are incurred  
D. at the company's discretion
19. Managerial accounting focuses on providing information for \_\_\_\_\_, while financial accounting focuses on \_\_\_\_\_.  
A. external reporting; internal decision-making  
B. internal decision-making; external reporting  
C. historical data; future planning  
D. standardized reporting; specific problem-solving
20. The journal entry to record the transfer of completed goods from production to finished goods inventory includes \_\_\_\_\_.  
A. debit to Work in Process Inventory; credit to Finished Goods Inventory  
B. debit to Finished Goods Inventory; credit to Work in Process Inventory  
C. debit to Cost of Goods Sold; credit to Finished Goods Inventory  
D. debit to Factory Overhead; credit to Work in Process Inventory
21. In job-order costing, a job cost sheet includes \_\_\_\_\_.  
A. only direct material costs  
B. direct materials, direct labor, and applied overhead  
C. manufacturing overhead only  
D. period costs

22. The cost of indirect materials used in production is recorded as \_\_\_\_\_.  
A. Direct Materials  
B. Factory Overhead  
C. Work in Process Inventory  
D. Finished Goods Inventory
23. Which cost system would be most appropriate for a company that produces large batches of identical items?  
A. Job-order costing  
B. Process costing  
C. Activity-based costing  
D. Standard costing
24. What is included in the calculation of equivalent units of production in a process costing system?  
A. Only completed units  
B. Direct materials used  
C. Units completed and partially completed units  
D. Units sold
25. In managerial accounting, costs that vary in total but remain constant per unit are known as \_\_\_\_\_.  
A. fixed costs  
B. variable costs  
C. mixed costs  
D. overhead costs

**Short Answer (25 @ 2 pts each)**

1. Calculate the predetermined overhead rate.

A company estimates the following data for the year:

Overhead Costs	\$200,00
Machine Hours	50,000 hours

Formula	Calculation	Result

2. What is the total cost of the job?

The job includes the following costs:

Cost Component	Amount
Direct Materials	\$5,000
Direct Labor	\$2,000
Overhead Applied	175 % of direct labor dollars

Formula	Calculation	Result

3. Calculate the equivalent units of production using the following production details:

Units Completed	8,000 units
Ending Inventory	2,000 units
% Completion	50%

Formula	Calculation	Result

4. Calculate the activity rate. Data for an activity pool is provided:

Activity Pool Cost	\$120,000
Machine Hours Used	6,000

Formula	Calculation	Result

5. Prepare a journal entry on the raw materials used.

The following materials are used in production:

- Direct Materials \$12,000
- Indirect Materials \$3,000

Account	Debit	Credit

6. Classify the following costs as **fixed**, **variable**, or **mixed**:

Factory rent of \$10,000 per month. \_\_\_\_\_

Direct materials cost of \$5 per unit. \_\_\_\_\_

Utility bill with a \$500 base fee plus \$0.10 per kilowatt-hour used. \_\_\_\_\_

7. A company applies overhead using a predetermined overhead rate. The following data is provided:

- Estimated overhead costs: \$100,000
- Estimated direct labor hours: 20,000 hours
- Actual direct labor hours: 18,000 hours

Calculate the predetermined overhead rate. \_\_\_\_\_

Determine the total overhead applied to jobs during the period. \_\_\_\_\_

8. A company sells a product for \$50 per unit. The variable cost per unit is \$30, and the total fixed costs are \$40,000.

Calculate the break-even point in units \_\_\_\_\_

How many units must the company sell to achieve a target profit of \$20,000? \_\_\_\_\_



**Problem 1 Job Order Costing and Overhead Allocation (24 Points)**

ABC Manufacturing produces custom furniture using a job-order costing system. The following information pertains to Job #101:

Cost Type	Amount
Direct Materials	\$12,000
Direct Labor Hours	200 hours
Direct Labor Rate	\$25/hour
Predetermined Overhead Rate	\$20 per labor hour

**Part A:** Calculate the total cost for Job #101

Cost Component	Amount
Direct Materials	
Direct Labor	
Applied Overhead	
<b>Total Cost</b>	

**Part B:** Prepare the journal entry to record the transfer of completed Job #101 to Finished Goods Inventory.

Account	Debit	Credit

**Problem 2 Process Costing and Equivalent Units (50 Points)**

XYZ Company produces widgets in a continuous process. For the month of January, the following information is available:

Production Data	Amount
Units in Beginning Inventory	2,000 units
Units Started During the Month	8,000 units
Units Completed and Transferred Out	7,000 units
Units in Ending Inventory	3,000 units
All materials are added at the beginning of the process. Percent Complete for Ending Inventory	50%

Cost Component	Amount
Direct Materials Cost	\$30,000
Conversion Costs	\$40,000

**Part A:** Calculate equivalent units of production (EUP) for direct materials and conversion costs using the Weighted Average Method.

Component	Result
Direct Materials	
Conversion Costs	

**Part B:** Prepare a partial production cost report for direct materials and conversion costs.

Cost Component	Total Cost	EUP	Cost Per Unit
Direct Materials			
Conversion Costs			

*The table below is intended for calculation use only.*

Cost Allocation	Completed Units	Ending Inventory
Direct Materials		
Conversion Costs		

**Total Costs:**

- Completed Units: \_\_\_\_\_
- Ending Inventory: \_\_\_\_\_