Prepare an absorption costing income statement for the quarter ended june 30.

Absorbed costing, also known as full costing, is used under the general accounting principle. Absorption costing treats all manufacturing costs, including both fixed and variable manufacturing costs, as product costs. The total variable cost changes in proportion to the change in total activity, but the fixed cost does not change as the activity level changes. These variable manufacturing costs typically consist of direct materials, variable manufacturing overheads, and direct labor. Product costs (or costs of goods sold) include direct materials, direct work, and overhead costs. Period costs include selling, general and administrative expenses. The following figure shows the cost flow for products and period costs. Product costs under product costing are calculated as follows: Direct material + direct labor + variable overhead + fixed overhead = Total product cost To calculate the total product cost By taking the total product cost/total unit produced, yes, the fixed cost does not change in total, but the fixed overhead per unit is also calculated. Assign costs per unit for accounting reasons. When you create a profit and loss statement, you use a multi-step income statement format. We're not going to get complicated with our multi-step profit and loss statement like the video example, but it should provide you a refresh from what you should learn in financial accounting. In this case, the absorbed profit and loss statement is also called sales – sales amount = gross profit operating expense: selling cost + general and administrative expense = total cost = net profit gross profit. Net income is gross profit - total operating expense, also known as pre-tax profit. Let's look at an example: Bradley had the following information for May: Direct materials $13,000 Direct labor $15,000 Variable overhead $5,000 Fixed overhead $6,000 Fixed selling expenses $15,000 Variable Selling Expenses $0.20 Administrative cost per unit $12,000 10,000 units produced (10,000 units (10,000 units) Sell 0 remains in finished finished goods inventory) Selling price $8 first per unit, absorbent product cost per unit must be calculated: direct material $13,000 + direct labor $15,000 + variable overhead $5,0 000 + Fixed Overhead $6,00 ÷0 = Total product cost $39,000 = Total production ÷ units $ 3.90 You can create an absorption profit and loss statement using the product cost per unit. Use sales units on profit and loss statements (and not production units) to determine sales, the cost of goods sold, and other variable period costs. Bradley Profit and Loss Statement (Absorption) Net Sales for the Fiscal Year Ended May 31, 2019 (9,000)$8) $72,000 per unit – Cost of sale (9,000 x $3.90/unit) 35,100 = gross profit 36,900 Operating expenses: Selling expenses (15,000 fixed + variable 0.20 x 9,000 sold) 16,800 + general and administrative. Expenses 12,000 = Total expenses 28,800 = Net operating income $8,100 Remember the following absorbed costings used for absorption costing: Typically, all manufacturing costs used for financial reporting (GAAP) are included in the cost (direct materials, direct labor force, fixed and variable) Overhead) Some costs are misleading because they are not affected by the product Fixed manufacturing overhead applies to the units produced, and is based not only on the sold profit and loss statement, but also on sales – sales cost = gross profit (or gross profit) – operating expenses = operating expenses = sales, based on the number of units sold. The following data is for Sirou's operations, Consumer Goods Wholesaler: Current assets as of March 31: Cash $9,300 Receivable $27,200 In stock $50,400 Building and Equipment Net $102,000 Accounts payable $30,300 Common stock $150,000 Profit $8,600) Gross margin is 25% of 25% of sales. Do not use stolen sources. Get a custom essay on questions and answers: Complete the 5th schedule which requires mandatory 1 mandatory 2 mandatory 3 required 4 required 4. $13/PAGE b) Get an essay written for you from actual sales data and budget sales data: March (actual) $68,000 April $84,000 $89,000 June $114,000 July $65,000 c) Sales are 60% in cash and 40% in credits. Credit sales are collected in the month after the sale. Accounts receivable on March 31 is the result of a credit sale in March. d) Monthly end of stock should be equal to 80% of the sales budget cost of the product for the following month. e) Half of a month's inventory purchases are paid in the month of purchase. The other half will be paid the following month. The account paid on March 31 is the result of an inventory purchase in March. f) Monthly costs are: fees, 12% of sales; rent, $4,100 per month. Other expenses (excluding depreciation and amortization), 6% of sales. Suppose these costs are paid monthly. Depreciation is $765 per month, including depreciation for new assets. g) The $3,300 facility will be purchased in cash in April. h) Management wants to maintain a minimum cash balance of at least $4,000 at the end of each month. The company signed a contract with a local bank and borrowed in $1,000 increments at the beginning of each month, with loan balances totaling $20,000. The interest rate on these loans is 1% per month, and simply put, interestBlended. The company will repay the loan and accumulated interest at the end of the quarter whenever possible. Required: Use the data above: 1. Complete the following schedule: 2. Complete the following cash budget: 4. Prepare the absorbed costing profit and loss statement for the quarter ended June 30. 5. Create a balance sheet as of June 30. Complete this question by entering your answer in the tab below the required 1 mandatory 2: Complete the following mandatory 3: (Cash shortage, repayment and interest should be indicated by a minus sign.) Prepare absorption costing profit and loss statements for the quarter ended June 30. Required 5: Create a balance sheet as of June 30. Mandatory 1 Mandatory 2 Mandatory 3 Mandatory 4 Mandatory 4 Required 5 June Quarter June Quarter $50,400 Cash Sales Credit Sales Total Collection 27,200 $77,600 $ Oops There are 0 previews left. 1. Access 3.7 million verified answers to get free homework help answers. Do you have an account to get access to?Log inOops sorry, but you have 0 previews left. 1. Access 3.7 million verified answers to get free homework help answers. Do you have an account to get access to? Please confirm your identity as a human being in the future to enjoy our site. Thank you for your cooperation. The following data related to the operation of Shilow, a wholesaler of consumer goods: Current assets as of March 31: $8,000 in cash $20,000 In stock $36,0 00 buildings and equipment, net $120,000 accounts payable $21,7500 common stock $150,000 profit $150,000 gross profit. Actual and budget sales data: March (actual) $50,000 April $60,000 May $72,000 June $90,000 $48,000 Sales are 60% in cash and 40% in credit. Credit sales are collected in the month after the sale. Accounts receivable on March 31 is the result of a credit sale in March. The end of monthly inventory should be equal to 80% of the sales budget for the next month's goods. Half of the monthly inventory purchases are paid for the month of purchase. The other half will be paid the following month. The account paid on March 31 is the result of an inventory purchase in March. Monthly costs are: fees, 12% of sales; rent, $2,500 per month. Other expenses (excluding depreciation and amortization), 6% of sales. Suppose these costs are paid monthly. Depreciation is $900 per month, including depreciation for new assets. The $1,500 facility will be purchased in cash in April. Management wants to maintain a minimum cash balance of at least $4,000 at the end of each month. The company has contracts with local banks.At the beginning of each month, you borrow in units of $1,000, and your loan balance totals up to $20,000. The interest rate on these loans is 1% per month, and simply put, assume that interest is not compound interest. The company will repay the loan and accumulated interest at the end of the quarter whenever possible. Required: Use the data above: 1. Complete the schedule for the planned cash collection. 2. Complete the product purchase budget and schedule expected cash payments for the product purchase. 3. Complete the cash budget. 4. Prepare the absorbed costing profit and loss statement for the quarter ended June 30. 5. Create a balance sheet as of June 30. 30.