Study Plan: Process Costing

Knowledge Targets

I can define the following terms as they relate to our unit:

Process Costing	**Equivalent Units**	**Conversion Cost**	**Predetermined overhead rate**
Weighted Average method	**Cost of Goods Manufactured**	**Cost per Equivalent Unit**	**Goods completed and transferred out**
Ending goods (or work) in process	**Process cost summary**	**Percent Complete**	**Goods started**

Reasoning Targets

- I can identify the difference between **process costing** and job costing.
- I can identify costs in **process costing** as direct materials, direct labor, and overhead.
- I can understand the difference between beginning and **ending** balances in **work in process** inventory.
- I can track process costs from raw materials to goods in process to finished goods and cost of goods sold.
- I can identify accounts to use in recording the flow of **process costing**.
- I can determine the **percent complete** for direct materials and **conversion costs**.
- I can understand **equivalent units of production** and how it is used in **process costing**.
- I can determine the **ending** balance in **goods in process** inventory.
- I can understand a **process cost summary** report.

Skill Targets

- I can prepare and post journal entries for **process costing** from raw materials to cost of goods sold.
- I can calculate the **equivalent units** for direct materials, direct labor and overhead using the **weighted average method**.
- I can calculate the **cost per equivalent unit** using **the weighted average method**.
- I can calculate the amount of cost to assign to **goods completed and transferred out** (also known as **cost of goods manufactured**) using **equivalent units** and **cost per equivalent unit**.
- I can calculate the amount of cost to assign to **ending goods in process** inventory using **equivalent units** and **cost per equivalent unit**.
- I can prepare a **process cost summary** report under the **weighted average method**.