

JAX Company
Process Cost Summary Report
June 30

Step 1: Physical Flow of Units

Units in Beg. WIP	-0-	Units Completed and Transferred
+ Units Started this period	11,000	+ Units in End. WIP
= Total Units	11,000	= Total Units

Step 2: Equivalent Units

	Materials	Conversion Costs
Units Completed and Transferred	9,000	9,000
	<i>(9,000 x 100% complete)</i>	
Units in Ending WIP		
Materials (2,000 x 100% complete)	2,000	
Conversion Cost (2,000 x 40% complete)		800
Total Equivalent Units	11,000	9,800
	11,000	9,800

Step 3: Cost per Equivalent Unit

	Materials	Conversion
Beg. Work in Process Costs	-0-	-0-
+ Costs added this period	\$ 1,100	\$ 11,760
= Total Costs	\$ 1,100	\$ 11,760
÷ Total Equivalent Units	11,000	9,800
= Cost per Equivalent Units	\$ 0.10	\$ 1.20
	\$ 0.10	\$ 1.20

Step 4: Assign Costs

Cost assigned to units completed and transferred		
Direct Materials (9,000 x \$0.10)	\$ 900	
Conversion (9,000 x \$1.20)	\$ 10,800	
Total cost assigned to units completed		\$ 11,700

Cost assigned to ending work in process		
Direct Materials (2,000 x \$0.10)	\$ 200	
Conversion (800 x \$1.20)	\$ 960	
Total cost assigned to ending work in process in		\$ 1,160

Step 5: Reconcile Costs

Beg. Work in Process Cost	-0-	
+ Costs added this period	\$ 12,860	(\$1,100 DM + \$2,880 DL + \$8,880 OH)
= Total costs to account for	\$ 12,860	
	\$ 12,860	

Cost assigned to units completed and transferred	\$ 11,700	
+ Cost assigned to ending work in process invento	\$ 1,160	
= Total costs accounted for	\$ 12,860	
	\$ 12,860	