Case (1)

The Egyptian Co. uses a process costing system, materials are added at the beginning of the process and conversion costs are uniformly incurred. At the beginning of June, the work in process is %30 complete and at the end of the month it is %60 complete. Other data for the month include:

Beginning work in process costs:

Direct material	L.E. 20,000
Conversion costs	L.E. 45,000
Beginning WIP	1,000 U
Units started	4,000 U
Units completed	3,000 U

Costs added in June:

Direct materials	L.E. 40,000
Conversion costs	L.E. 30,600

Required:

Prepare a production cost report using the weighted average method.

Case (2)

Star Toys manufactures one type of wooden toy figure. It buys wood as its direct material for the Forming Department of its Madison plant. This plant processes one type of toy. The toys are transferred to the Finishing Department, where they are hand shaped and metal is added to them. The product-costing system at Star Toys has a single direct-cost category (direct materials) and a single indirect-cost category (conversion costs). Direct materials are added when the Forming Department process is 10% complete. Conversion costs are added evenly during the Forming Department's process.

Consider the following data for the Forming Department in April 2004:

	Physical Units (Toys)	Direct Materials	Conversion Costs
Work in process, April 1*	300	$ 7,500	$ 2,125
Started during April 2004	2,200		
Completed during April 2004	2,000		
Work in process, April 30**	500		
Costs added during April 2004		$70,000	$42,500

*Degree of completion: direct materials, 100%; conversion costs, 40%

**Degree of completion: direct materials, 100%; conversion costs, 25%

Required:

Prepare a production cost worksheet for the forming department using: using:

1. Weighted-average costing.
2. First-in-first-out costing.