

After Nine Editions of Innovation and Excellence, *Hilton Managerial Accounting* becomes *Hilton & Platt*.



Keeping pace with the speed of modern business, the authors combine their experience and expertise to make sure *Managerial Accounting* is the most relevant, accurate, and up-to-date textbook in the field.

About the Authors



Ronald W. Hilton is a Professor of Accounting at Cornell University. With bachelor's and master's degrees in accounting from The Pennsylvania State University, he received his PhD from The Ohio State University.

A Cornell faculty member since 1977, Professor Hilton also has taught accounting at Ohio State and the University of Florida, where he held the position of Walter J. Matherly Professor of Accounting. Prior to pursuing his doctoral studies, Hilton worked for Peat, Marwick, Mitchell and Company and served as an officer in the United States Air Force.

Professor Hilton is a member of the Institute of Management Accountants and has been active in the American Accounting Association. He has served as associate editor of *The Accounting Review* and as a member of its editorial board. Hilton also has served on the editorial board of the *Journal of Management Accounting Research*. He has been a member of the resident faculties of both the Doctoral Consortium and the New Faculty Consortium sponsored by the American Accounting Association.

With wide-ranging research interests, Hilton has published articles in many journals, including the *Journal of Accounting Research*, *The Accounting Review*, *Management Science*, *Decision Sciences*, the *Journal of Economic Behavior and Organization*, *Contemporary Accounting Research*, and the *Journal of Mathematical Psychology*. He also has published a monograph in the *AAA Studies in Accounting Research* series, and he is a co-author of *Cost Management: Strategies for Business Decisions*, *Budgeting: Profit Planning and Control*, and *Cost Accounting: Concepts and Managerial Applications*. Professor Hilton's current research interests focus on contemporary cost management systems and international issues in managerial accounting. In recent years, he has toured manufacturing facilities and consulted with practicing managerial accountants in North America, Europe, Asia, and Australia.



David E. Platt is the Associate Dean for Undergraduate Programs at the McCombs School of Business, University of Texas at Austin. He earned his BS in Economics from the Wharton School at the University of Pennsylvania, his MBA in Marketing from Syracuse University, and his PhD in Accounting from Cornell University. He received his CPA while working for Pricewaterhouse Coopers, followed by several years doing financial and product management in a supply chain systems integrator. Professor Platt has taught in the McCombs School of Business BBA, MPA, MBA and Executive MBA programs, receiving teaching awards at both the undergraduate and graduate levels. From 2000 until 2012, he directed UT-Austin's Center for International Business Education and Research (CIBER) and has served as chairman of the Partnership in International Management, a

consortium of leading graduate business schools with 57 member schools in 35 countries. He has been a visiting lecturer at the Sorbonne Graduate Business School, and has delivered training for Dell and other companies in the U.S., Europe, Latin America, and China.

How Does Hilton & Platt 10e Prepare Students for the Businesses of Today and Tomorrow?

Managerial Accounting.

Business is changing dramatically, with a global marketplace for goods and services, a worldwide supply chain, and dramatic increases in technological innovation. To keep up, managers must be able to interpret the rapid flow of information and make the right decisions. Assisted by the tools of managerial accounting, and by managerial accounting professionals, managers will work side by side in global cross-functional teams to make the complex decisions that today's dynamic business environment requires of them. The goal of *Managerial Accounting* is to acquaint students of business with the fundamental tools of managerial accounting and to promote their understanding of the



dramatic ways in which business is changing. The emphasis throughout the text is on using accounting information to help manage an organization. Students should not only be able to produce accounting information, but also understand how managers are likely to use and react to the information in a range of businesses.

“It is a well-written book with numerous well-selected cases, allowing students to see the contemporary business operations and practices in the real world.”

—Dennis Hwang, Bloomsburg University

Relevant.

Focus Companies provide a powerful strategy for fostering learning, and the integration of Focus Companies throughout the Hilton & Platt text is unmatched by any other managerial accounting book. Each chapter introduces important managerial accounting topics within the context of a realistic company. Students see the immediate impact of managerial accounting decisions on companies and gain exposure to different types of organizations.

Balanced.

Hilton & Platt *Managerial Accounting* offers the most balanced coverage of service and manufacturing companies. The authors recognize that students will be working in a great variety of business environments and will benefit from exposure to diverse types of companies. A wide variety of examples from retail, service, manufacturing, and nonprofit organizations are included.

Contemporary.

Hilton & Platt continues to be the leader in presenting the most contemporary coverage of managerial accounting topics. The traditional tools of managerial accounting such as budgeting and product costing have been updated with current approaches. Emerging topics such as environmental cost management, monetizing the Internet, and capacity management are also covered.

Flexible.

Managerial Accounting is written in a modular format allowing topics to be covered in the order you want. For example, some instructors prefer to cover contribution-margin approaches to decision making and/or relevant costs early in the course. So Chapter 6 (cost behavior and estimation), Chapter 7 (CVP), and Chapter 14 (relevant costs) are written so they can be covered immediately after Chapter 2, which introduces basic cost concepts. A table showing the text's flexibility is in the Introduction to the Instructor's Manual.

"The company story acts as a hook to get students interested in the chapter material."

— Michele Matherly, University of North Carolina at Charlotte

"I like the mix of company types."

— Barbara Durham, University of Central Florida

"Balanced, time-proven approach to managerial accounting."

— Michael Flores, Wichita State University

"A nice intro textbook, with multiple perspectives on the behavioral aspects of managerial accounting. Touches many modern issues facing the field."

Theodore Rodgers, Emory University

"Perhaps what sets Hilton & Platt apart from the competition is its recognition that the world consists of more than manufacturing firms and that managerial accounting plays a significant role in service and not-for-profit organizations."

— Lanny Solomon, University of Missouri–Kansas City

"Very current with managerial accounting topics (bar codes, RFID, . . . , ABC, outsourcing, decision making)."

— Maggie Houston, Wright State University

How Does Hilton & Platt 10e Help Students Learn Managerial Accounting in the Context of Business?

FOCUS COMPANIES

Students need to see the relevance of managerial accounting information in order to actively engage in learning the material. Ron Hilton and Dave Platt use Focus Companies to illustrate concepts, and students immediately see the significance of the material and become excited about the content.

Whenever the Focus Company is presented in the chapter, its logo is shown so the student sees its application to the text topic.

"I like the 'Focus on the Company' at the beginning of each chapter and this type of boxed info throughout each chapter".

—Anna Cianci, Drexel University

CONTRAST COMPANIES

A Contrast Company is also introduced in each chapter. In most cases these highlight an industry different from that of the Focus Company. This feature allows even greater emphasis on service-industry firms and other nonmanufacturing environments. The complete list of Focus Companies and Contrast Companies is featured on the inside back cover.

1 The Changing Role of Managerial Accounting in a Dynamic Business Environment

FOCUS COMPANY >>>

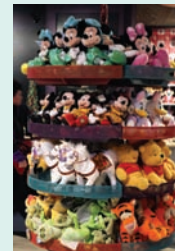
THIS CHAPTER'S FOCUS COMPANY is *The Walt Disney Company*. This  entertainment services company is a giant in the industry with theme parks,

feature film studios, animation studios, television broadcasting, hotels and resorts, and retail stores. Using *The Walt Disney Company* as an illustration, we will introduce the field of managerial accounting and its major themes. Some of you are excited about studying accounting.



But even more of you are asking, "Why do I need to study managerial accounting? I'm not going to be an accountant!" That is a good question. We will explore how managerial accountants work in partnership with managers to add value to the organization, and how managers also use managerial accounting tools to make their decisions.

*Each chapter is built around a focus company, in which the chapter's key points are illustrated. This chapter's focus is on *The Walt Disney Company*. The focus companies in subsequent chapters are not real companies, but they are realistic scenarios built on actual company practices. Whenever the focus company is discussed in the chapter, the company logo appears in the margin.*



<<< IN CONTRAST

In contrast to the entertainment services setting of *The Walt Disney Company*, we will turn our attention to *Whole Foods Market, Inc.* This fast-growing food retailer has over 300 stores around North America and Europe. A leader in the area of corporate social responsibility, *Whole Foods Market* is frequently faced with challenging decisions that require them to balance the need to run a profitable business and satisfy their investors against the cost of their much-publicized commitment to organic foods and sustainable production. We will explore managerial accounting's contribution to *Whole Foods Market's* efforts to sell products that are more costly to produce in a competitive market while still achieving appropriate returns for investors.

*Each chapter also includes a contrast company. In most cases, the contrast company will present a key chapter topic in an industry that is different from that of the focus company. In this chapter, the focus company (*Walt Disney*) is an entertainment services company, whereas the contrast company (*Whole Foods Market*) is a food retailer.*



The value chain for **The Walt Disney Studios** would include *upstream* contributions such as screenwriting, film studio construction and maintenance, set design and construction, costume design and production, travel arrangements for shooting scenes on location, lighting technicians, film crews, and acting talent. Once the film has been produced, the *downstream* contributions include advertising personnel; TV, radio, and print media; film distributors; theater companies such as **AMC Entertainment**; DVD producers; online video providers such as **Netflix**; and DVD retailers such as **Amazon.com**.

Let's turn our attention now to this chapter's contrast company, **Whole Foods Market, Inc.** A fast-growing food retailer headquartered in Austin, Texas, Whole Foods Market has over 300 stores in the U.S. and Europe. Whole Foods Market is owned by its stockholders, and its stock is publicly traded on the NASDAQ market.

As its website explains, Whole Foods Market's managers and accountants work to earn a profit for stockholders by maintaining a reputation as a seller of quality, sustainably produced products and a fun place to shop. Each of these factors must be considered by the company's managers as they make decisions about the design of their value chain. Making the right decisions about a value chain can be the difference between success and failure for a company, and the decisions for Whole Foods Market include answering critical questions like:

- Which value chain activities must a grocery store include?

“Great graphics, exhibits and illustrations to keep the computer generation interested.”
 —Kathy Sevigny, Boston University

functional. B of Ext... several plausible cross... teams formed to address a variety of hypothetical business problems at The Walt Disney Company. Notice that each of these teams pulls together individuals from a variety of specialties, such as marketing, operations, general management, customer relations, and the general counsel's office (legal issues). Given Disney's overall business strategy, creative talent is almost always present in these cross-functional teams; moreover, managerial accountants play an important role as well.

Physical Location

Finally, where do managerial accountants actually do their work? The answer is “just about everywhere.” As Panel C of Exhibit 1-4 highlights, managerial accountants are not sequestered in some remote corner of the business. To the contrary, they are located in every part of an enterprise, from corporate headquarters to the locations where goods and services are being produced. At Disney, for example, managerial accountants would be present on location when a feature film is being produced, near the ESPN production studio when decisions are made about developing sports.com sponsors, and in the various Disney hotels.

“Most of the people... are decentralized and actually are co-located with the people that they support. That's our approach and we're moving more and more toward that and less and less toward a central group that provides information.” (1)

Boeing

Management Accounting Practice
 Ford, Renault, and Nissan

MANAGING THE COSTS OF UNUSED CAPACITY IN THE AUTO INDUSTRY: A GLOBAL CHALLENGE

Most companies cannot easily adjust their production capacity to match demand. Once a manufacturer of automobiles has invested in a factory, its options for increasing or decreasing that capacity and related costs are limited. If sales are low, management can reduce the hours of production, but the facility costs remain. Moreover, labor costs often cannot easily be adjusted because of national labor laws, union rules, and practical concerns such as training costs and employee loyalty.

So, if the costs of unused capacity cannot be adjusted to match demand, how can a company manage capacity to avoid the drain on income that comes with unused capacity? The solution involves isolating the capacity problem: (1) shift production between facilities to maximize utilization of capacity in selected primary facilities while creating additional unused capacity in secondary facilities, and (2) sell or find alternative uses for the now-vastly-underutilized secondary facilities.

American automaker **Ford Motor Co.** followed exactly this approach in addressing their profitability problems in the European market. To know what it was to be profitable,

“Good extras within chapters—ethics at the end of each chapter, MAPs throughout chapter, the Focus vs. In Contrast real world examples.”
 —Mike Thomas, Humboldt State University

Focus on Ethics

DID BOEING EXPLOIT ACCOUNTING RULES TO CONCEAL COST OVERRUNS AND PRODUCTION SNAFUS?

Aircraft manufacturers use job-order costing to determine the cost of an airplane. As this chapter discusses, supply chain management and production controls are also important tools used by manufacturers to manage production costs. As *BusinessWeek* reports, however, things don't always go according to plan.

For three years, Boeing's top management had been seeking a merger with **McDonnell-Douglas Corporation**, whose board of directors was reluctant to approve the deal. Finally, the deal went through, and the world's largest aerospace company was born—the first manufacturer ever with the ability to build everything that flies, from helicopters and fighter jets to space stations.

Unfortunately, “a disaster was quietly unfolding inside Boeing's sprawling factories—one that would ultimately

In May of 2002, *BusinessWeek* reported the results of its three-month investigation, which “reconstructed this hidden chapter in the company's history—and analyzed its current implications.” The *BusinessWeek* article alleges that “new details supplied by several inside witnesses indicate that Boeing did more than simply fail to tell investors about its production disaster. It also engaged in a wide variety of aggressive accounting techniques that papered over the mess. Critics say the company should have taken charges for the assembly-line disaster in the first half of 1997, even if it meant jeopardizing the McDonnell merger. They also claim that Boeing took advantage of the unusual flexibility provided by program accounting—a system that allows the huge upfront expense of building a plane to be spread out over several years—to cover up cost overruns and to book savings from efficiency initiatives that never panned out. “Boeing managed its earnings to the point where it got caught,” says Debra A. Smith, a partner at Constraints Management, a Seattle-area manufac-

Real-World Examples

The Hilton & Platt text provides a variety of thought-provoking, real-world examples to focus students on managerial accounting as an essential part of the management process. Featured organizations include Amazon.com, Ford Motor Company, Southwest Airlines, Whole Foods Market, General Electric, FedEx, and many others. These companies are highlighted in blue in the text.

In Their Own Words

Quotes from both practicing managers and managerial accountants are included in the margins throughout the text. These actual quotes show how the field of management accounting is changing, emphasize how the concepts are actually used, and demonstrate that management accountants are key players in most companies' management teams.

Management Accounting Practice

The managerial accounting practices of well-known, real-world organizations are highlighted in these boxes. They stimulate student interest and provide a springboard for classroom discussion.

Focus on Ethics

This feature is included in most chapters. Focus on Ethics poses an ethical dilemma, then asks tough questions that underscore the importance of ethical management. Some of these are based on real-world incidents while others are fictional but based on well-established anecdotal evidence.

How Can My Students Use Hilton & Platt 10e to Master the Concepts of Managerial Accounting?

End-of-Chapter Assignment Material

Each chapter includes an extensive selection of assignment material, including Review Questions, Exercises, Problems, and Cases. Our problem and case material conforms to AECC and AACSB recommendations and facilitates class discussions and projects.

Review Problems present both a problem and a complete solution, allowing students to review the entire problem-solving process.

Key Terms are bolded in the text and repeated at the end of the chapter with page references. The book also includes a complete Glossary of Key Terms.

Review Questions, Exercises, Problems, and Cases are comprehensive in covering the points in the chapter. They exhibit a wide range of difficulty, and the Instructor's Manual provides guidance for the instructor on the difficulty level and time required for each problem. Numerous adapted CMA and CPA problems are included.

“Best selection of problems of any text: a large number of problems, problems at all levels, including many interesting, different problems that challenge students, and often interesting real world applications.”

—Lynda Thoman, Purdue University

Review Problems on Cost Classifications

Problem 1

Several costs incurred by Myrtle Beach Golf Equipment, Inc. are listed below. For each cost, indicate which of the following classifications best describe the cost. More than one classification may apply to the same cost item. For example, a cost may be both a variable cost and a product cost.

Cost Classifications

- Variable
- Fixed
- Period
- Product
- Administrative
- Selling

Key Terms

For each term's definition refer to the indicated page, or turn to the glossary at the end of the text.

activity base, 88	departmental overhead centers, 102	predetermined overhead rate, 88	supply chain, 86
actual costing, 100	departmental overhead rate, 102	process-costing system, 84	throughput time, 101
actual manufacturing overhead, 94	job-cost record, 84	product-costing system, 80	time record, 87
applied manufacturing overhead, 93	job-order costing, 83	proration, 96	two-stage cost allocation, 102
bill of materials, 86	material requisition form, 85	schedule of cost of goods manufactured, 97	underapplied overhead, 95
cost distribution (sometimes called cost allocation), 102	normal costing, 98	schedule of cost of goods sold, 97	volume-based cost driver, 88
cost of goods manufactured, 97	overapplied overhead, 96	service department cost allocation, 102	
	overhead application (or absorption), 87	service departments, 102	

Review Questions

- Distinguish between product costs and period costs.
- Why are product costs also called inventoriable costs?
- What is the most important difference between a manufacturing firm and a service industry firm, with regard to the classification of costs as product costs or period costs?
- List several product costs incurred in the production of a backpack.
- List, describe, and give an example of each of the four different types of production processes.
- Why is the cost of idle time treated as manufacturing overhead?
- Explain why an overtime premium is included in manufacturing overhead.
- 2-14. Would each of the following characteristics be a volume-based or an operations-based cost driver in a college: (a) number of students, (b) number of disciplines offered for study, and (c) urban versus rural location?
- 2-15. List three direct costs of the food and beverage department in a hotel. List three indirect costs of the department.
- 2-16. List three costs that are likely to be controllable by a city's airport manager. List three costs that are likely to be uncontrollable by the manager.
- 2-17. Which of the following costs are likely to be controllable by the chief of nursing in a hospital?
 - Cost of medication administered.
 - Cost of overtime paid to nurses due to scheduling errors.

EXCEL Spreadsheets Spreadsheet applications are essential to contemporary accounting practice. Students must recognize the power of spreadsheets and know how accounting data are presented in them. Excel applications are discussed where appropriate in the text.

Budgeted selling and administrative expenses	\$17,000
Actual manufacturing overhead:	
Depreciation	\$225,000
Property taxes	19,000
Indirect labor	79,000
Supervisory salaries	210,000
Utilities	58,000
Insurance	32,000
Rental of space	295,000
Indirect material (see data below)	79,000
Indirect material:	
Beginning inventory, January 1	46,000
Purchases during the year	95,000
Ending inventory, December 31	62,000

Required:

1. Compute the firm's predetermined overhead rate, which is based on direct-labor hours.
2. Calculate the overapplied or underapplied overhead for the year.
3. Prepare a journal entry to close out the Manufacturing Overhead account into Cost of Goods Sold.
4. **Build a spreadsheet:** Construct an Excel spreadsheet to solve requirements (1) and (2) above. Show how the solution will change if the following data change: budgeted manufacturing overhead was \$990,000, property taxes were \$25,000, and purchases of indirect material amounted to \$97,000.

Several exercises and problems in each chapter include an optional requirement for students to **Build a Spreadsheet** to develop the solution.

"Use of spreadsheets [is a strength]."

—Ralph Greenberg, Temple University

Problems

All applicable Problems are available with McGraw-Hill's Connect Accounting®.

Problem 3-42
Basic Job-Order Costing;
Journal Entries
(LO 3-4, 3-5)

1. Predetermined overhead rate: \$13 per hour

Vermont Clock Works manufactures fine, handcrafted clocks. The firm uses a job-order costing system, and manufacturing overhead is applied on the basis of direct-labor hours. Estimated manufacturing overhead for the year is \$260,000. The firm employs 10 master clockmakers, who constitute the direct-labor force. Each of these employees is expected to work 2,000 hours during the year, which represents each employee's practical capacity. The following events occurred during October.

- a. The firm purchased 2,900 board feet of mahogany veneer at \$12 per board foot.
- b. Twenty brass counterweights were requisitioned for production. Each weight cost \$27.
- c. Five gallons of glue were requisitioned for production. The glue cost \$25 per gallon. Glue is treated as an indirect material.
- d. Depreciation on the clockworks building for October was \$7,000.
- e. A \$300 utility bill was paid in cash.
- f. Time cards showed the following usage of labor:
Job number G60: 12 grandfather's clocks, 950 hours of direct labor
Job number C81: 15 cuckoo clocks, 500 hours of direct labor
The master clockmakers (direct-labor personnel) earn \$22 per hour.
- g. The October property tax bill for \$890 was received but not yet paid in cash.
- h. The firm employs laborers who perform various tasks such as material handling and shop cleanup. Their wages for October amounted to \$3,100.
- i. Job number G60, which was started in July, was finished in October. The total cost of the job was \$15,100.
- j. Nine of the grandfather's clocks from job number G60 were sold in October for \$1,600 each.

Required:

Many problems can be solved using the Excel spreadsheet templates found on the text's website. An Excel logo appears in the margin next to these problems for easy identification.

"Good description of managerial accounting tools. Easy to read and understand. Strength is in the end-of-chapter problems—good variety and lots of them."

—Priscilla Wisner, Thunderbird, the Garvin School of International Management

Icons identify key business areas in the Problems and Cases in each chapter:



Ethical Issues



Group Work



Internet Research



International Setting



Business Communication



Excel Template

What's New in the Tenth Edition?

New and Updated Focus Companies

Chapter 9, which covers budgeting, features an all new focus company, Snowcap Music Festivals. This company produces and manages destination music events worldwide. Chapter 8, which covers absorption and variable costing, also has a new focus company, FitDat.com. This firm produces fitness monitors. Several other focus companies have been updated to make them more current and relevant than ever.

New Contrast Companies

Several chapters include new contrast companies, which provide a balance in each chapter between different industries. Among the new contrast companies are Whole Foods Market (retail grocery chain) and FestiChair.com (outdoor chair manufacturer).

Updated Pedagogy

Many chapters include revisions of pedagogy, streamlined and condensed explanations, and the addition of more current examples and references from the popular business press. For example, in Chapter 9 we now first present the budget in a nonmanufacturing context for a simpler view of the overall flow of budget schedules. Then, using the chapter's contrast company, we turn to a manufacturing example with the added complexity of inventory costs and schedules.

End-of-Chapter Assignment Material

The end-of-chapter assignment material has been very heavily revised. Virtually all of the quantitative exercises, problems, and cases contain data different from that used in the ninth edition. In addition, the authors updated many of the products and services produced by the companies featured both in the text and in the assignment material.

Build a Spreadsheet

This popular feature has been completely revised for the tenth edition. Several exercises and problems in each chapter include an optional requirement to build an Excel spreadsheet to solve the problem.

Service Industry Examples

As the service industry plays a significant role in the economy, even greater emphasis has been devoted to providing examples throughout the text on real-world service-industry firms using managerial accounting information.

In Their Own Words

Many of the quotations in this popular feature are new in this edition. These quotes from practicing managers and managerial accountants portray the important role managerial accounting plays in today's dynamic business environment.

Management Accounting Practice

Many of these real-world examples have been revised and updated to make them more current, and several new examples have been added.

Your feedback is crucial in improving each new edition of *Managerial Accounting*. In response to your suggestions, you will find revised coverage of key topical areas, new pedagogy for the most challenging topics, and new assignment material in the tenth edition, as well as several key

CHAPTER-BY-CHAPTER CHANGES

Chapter 1: This chapter now features Whole Foods Market as the contrast company. In addition, the focus company example, Walt Disney Company, has been substantially updated to reflect changes in the company structure and to include recognizable subsidiaries like ESPN. A new *Management Accounting Practice (MAP)* piece has been added and the chapter streamlined to focus on how companies operate.

Chapter 2: The classification of manufacturing operations has been revised, and a new **MAP** has been added.

Chapter 3: New material is included on the use of technology in managerial accounting for manufacturing operations.

Chapter 5: The material on just-in-time (JIT) production and inventory management has been moved to the Inventory Management appendix at the end of the book.

Chapter 8: In order to better balance chapter length and the organization of topics, two sections previously located in Chapter 12 have been moved to this chapter and expanded: Costs of Assuring Quality (formerly Total Quality Management) and Costs of Environmental Sustainability (formerly Environmental Cost Management).

Chapter 9: Completely revised for this edition, budgeting is now illustrated with a new focus company, Snowcap Music Festivals, that will resonate with students. A new contrast company, FestiChair.com, is then introduced to show the incremental budget schedules required to address the manufacturing environment. A new **MAP** is also added. Chapter 9 also places Chapters 9 through 11 in a broad Financial Planning and Analysis (FP&A) context.

Chapter 10: In this edition, we introduce the usage-based direct-material price variance to allow for a complete decomposition of the difference between actual and standard costs. (The purchased-quantity version is maintained for comparison.) The sections on Operational Performance Measures and the Balanced Scorecard are moved to Chapter 12, where they fit comfortably with other performance measurement material.

Chapter 11: The application of overhead is now discussed in terms of *activity level*, rather than the more restrictive *process hours*.

Chapter 14: A new **MAP** has been added discussing the decision that some companies are now making to insource key business processes and return to onshoring of production operations.

Chapter 15: The **MAP** on Internet pricing has been revised.

How Can Technology Help Improve Student Success?



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Accounting is an online assignment and assessment solution that connects students with the tools and resources necessary to achieve success through faster learning, more efficient studying, and higher retention of knowledge.

Intelligent Response Technology (IRT) IRT is a redesigned student interface for our end-of-chapter assessment content. The benefits include improved answer acceptance to reduce students' frustration with formatting issues (such as rounding) and select questions that have been redesigned to test students' knowledge more fully. They now include tables for students to work through rather than requiring that all calculations be done offline.

2. value: 10.00 points

2. Prepare journal entries for the first quarter to record the following. (Note: Use summary entries where appropriate by combining individual job data.) (If no entry is required for a transaction/event, select "No journal entry required" in the first account field. Do not round intermediate calculations.)

- The issuance of direct material to production and the direct labor incurred.
- The manufacturing overhead incurred during the quarter.
- The application of manufacturing overhead to production.
- The completion of jobs no. 101 and no. 102.
- The sale of job no. 102.

[view transaction list](#) [view general journal](#)

Journal Entry Worksheet

Record raw materials transferred to production.

Transaction	General Journal	Debit	Credit
a(1).			

*Enter debits before credits

Online Assignments McGraw-Hill *Connect Accounting* helps students learn more efficiently by providing feedback and practice material when and where they need it. *Connect Accounting* grades homework automatically and students benefit from the immediate feedback that they receive, particularly on any questions they may have missed. Furthermore, algorithmic questions provide students with unlimited opportunities for practice.

Chapter 8 Assignment
Managerial Accounting: Hilton 16e
Katie Jones

1. value: 10.00 points

1. Everest Delta Company produces frozen microwaveable dinners. The following accounts appeared in the ledger for December 31.

Additional information:

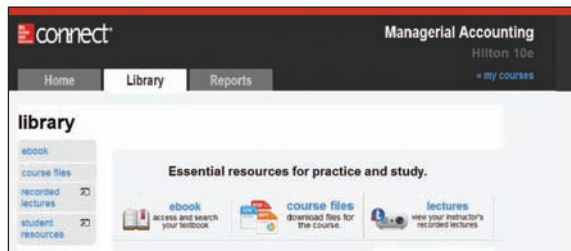
- Accounts payable is used only for direct-material purchases.
- Unshipped orders of \$2,500 for the year have not yet been shipped into cost of goods sold.

Required:

Complete the below T-accounts.

Raw Materials Inventory		Accounts Payable	
Dec. 31	25,000	Dec. 31	3,000
			191,100
Dec. 31	88,400	Dec. 31	1,400
Work-in-Process Inventory		Finished Goods Inventory	
Dec. 31	23,000	Dec. 31	76,000
Direct material			

Student Library The *Connect Accounting* Student Library gives students access to additional resources such as recorded lectures, online practice materials, and a searchable, media-rich eBook. Using this resource, students can highlight and take and share notes, and study assets from the Online Learning Center, all from one convenient location.



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McGraw-Hill *Connect Accounting* offers a number of powerful tools and features to make managing assignments easier, so faculty can spend more time teaching. With *Connect Accounting*, students can engage with their coursework anytime, anywhere, making the learning process more accessible and efficient.

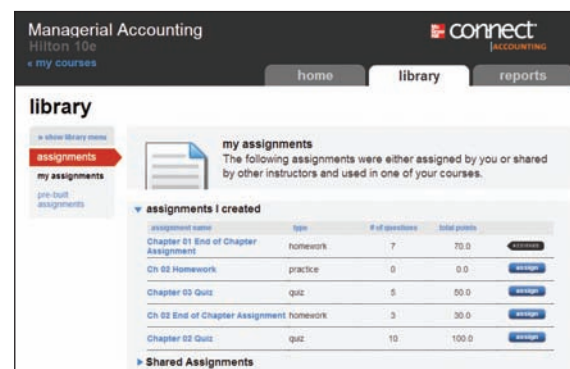
McGraw-Hill Connect® Accounting for Instructors

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- Go paperless with the eBook and online submission and grading of student assignments.
- Have assignments scored automatically, giving students immediate feedback on their work and side-by-side comparisons with correct answers.
- Access and review each response; manually change grades or leave comments for students to review.
- Reinforce classroom concepts with practice tests and instant quizzes.

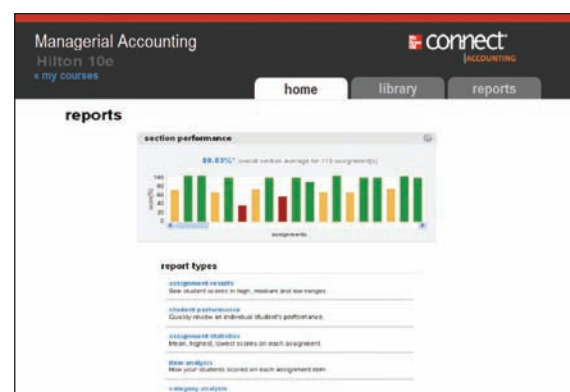
Instructor Library The *Connect Accounting* Instructor Library is your repository for additional resources to improve student engagement in and out of class. You can select and use any asset that enhances your lecture. The *Connect Accounting* Instructor Library includes access to the textbook's:

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- Excel Spreadsheet Solutions
- Supplementary Chapter Solutions
- Media-rich eBook



Student Reports McGraw-Hill *Connect Accounting* keeps instructors informed about how each student, section, and class is performing, allowing for more productive use of lecture and office hours. The Reports tab enables you to:

- View scored work immediately and track individual or group performance with assignment and grade reports.



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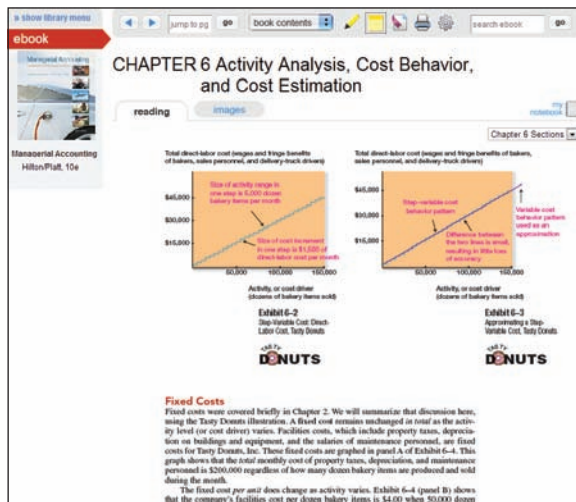


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Instructor Supplements

Assurance of Learning Ready

Many educational institutions today are focused on the notion of assurance of learning, an important element of some accreditation standards. *Managerial Accounting*, 10e is designed specifically to support your assurance of learning initiatives with a simple, yet powerful, solution. Each test bank question for *Managerial Accounting*, 10e maps to a specific chapter learning outcome/objective listed in the text. You can use our test bank software, EZ Test, and *Connect* to easily query for learning outcomes/objectives that directly relate to the learning objectives for your course. You can then use the reporting features of EZ Test and *Connect* to aggregate student results in similar fashion, making the collection and presentation of assurance of learning data simple and easy.

AACSB Statement

McGraw-Hill Education is a proud corporate member of AACSB International. Recognizing the importance and value of AACSB accreditation, we have sought to recognize the curricula guidelines detailed in AACSB standards for business accreditation by connecting selected questions in Hilton & Platt 10e with the general knowledge and skill guidelines found in the AACSB standards. The statements contained in Hilton & Platt 10e are provided only as a guide for the users of this text. The AACSB leaves content coverage and assessment clearly within the realm and control of individual schools, the mission of the school, and the faculty. The AACSB does also charge schools with the obligation of doing assessment against their own content and learning goals. While Hilton & Platt

10e and its teaching package make no claim of any specific AACSB qualification or evaluation, we have labeled selected questions according to the six general knowledge and skills areas. The labels or tags within Hilton & Platt 10e are as indicated. There are, of course, many more within the test bank, the text, and the teaching package which might be used as a “standard” for your course. However, the labeled questions are suggested for your consideration.



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Accounting offers a number of powerful tools and features to make managing your classroom easier. *Connect Accounting* with Hilton & Platt 10e offers enhanced features and technology to help both you and your students make the most of your time inside and outside the classroom. See page XVI for more details.

Online Learning Center

(www.mhhe.com/hilton10e)

The password-protected instructor side of the book’s Online Learning Center (OLC) houses all the instructor resources you need to administer your course, including:

- Solutions Manual
- Test Bank
- Instructor PowerPoint® slides
- Instructor’s Manual
- Excel Spreadsheet Solutions
- Supplementary Chapter Solutions
- Sample syllabus

If you choose to use *Connect Accounting* with Hilton & Platt 10e, you will have access to these same resources via the Instructor Library.

“The available website accompanying the text offers some challenging and helpful aids for students.”

—Melvin Houston, Wayne State University



Instructor's Manual

This comprehensive manual includes step-by-step, explicit instructions on how the text can be used to implement alternative teaching methods. It also provides guidance for instructors who use the traditional lecture method. The guide includes lesson plans and demonstration problems with student work papers, as well as solutions.

Available on the password-protected Instructor side of the Online Learning Center and the *Connect* Instructor Library.

Solutions Manual

Prepared by the authors, the solutions manual contains complete solutions to all the text's end-of-chapter review questions, exercises, problems, and cases. The solutions manual

also includes a discussion of the issues in each of the chapter-by-chapter Focus on Ethics pieces.

Available on the password-protected Instructor side of the Online Learning Center and the *Connect* Instructor Library.

Excel Spreadsheet Templates

This resource includes solutions to spreadsheet problems found in the text end-of-chapter material.

Available on the password-protected Instructor side of the Online Learning Center and the *Connect* Instructor Library.

PowerPoint Presentations

A complete set of Instructor PowerPoints, following the chapter-by-chapter content.

Available on the password-protected Instructor side of the Online Learning Center and the *Connect* Instructor Library.

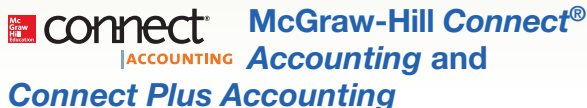
Test Bank

This test bank contains multiple choice questions, essay questions, and short problems. Each test item is coded for level of difficulty, learning objective, AACSB, AICPA and Bloom's.

EZ Test Online

McGraw-Hill's EZ Test is a flexible electronic testing program. The program allows instructors to create tests from book-specific items and accommodates a wide range of question types.

Student Supplements



McGraw-Hill *Connect Accounting* helps prepare you for your future by enabling faster learning, more efficient studying, and higher retention of knowledge. See page XVI for more details.



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Online Learning Center and *Connect Student Library*

www.mhhe.com/hilton10e

The Online Learning Center (OLC) and *Connect Student Library* follow *Managerial Accounting* chapter by chapter, offering all kinds of supplementary help for you as you read. The following resources are available to help you study more efficiently:

- Online Quizzes
- Student PowerPoint Presentations

- Excel Templates
- Supplemental Chapters (listed below)
- Check Figures
- Company Websites
- Narrated PowerPoints (included in Connect Library only)

Student PowerPoint Presentations

Presentation Slides are located on the text's Online Learning Center and the *Connect Library*.



Excel Templates

These templates are tied to selected end-of-chapter material and are designated in the text by the Excel icon.

McGraw-Hill's *Connect Accounting*

See page XVI for details.

Supplementary Chapters

Supplementary chapters on special topics are more accessible than ever. These supplements, located on the Online Learning Center at www.mhhe.com/hilton10e, include:

- FIFO Method of Process Costing
- Process Costing in Sequential Production Departments: Weighted-Average Method
- Statement of Cash Flows
- Analyzing Financial Statements

The Solutions Manual for each supplement can be found on the password-protected Instructor's side of the Online Learning Center.

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