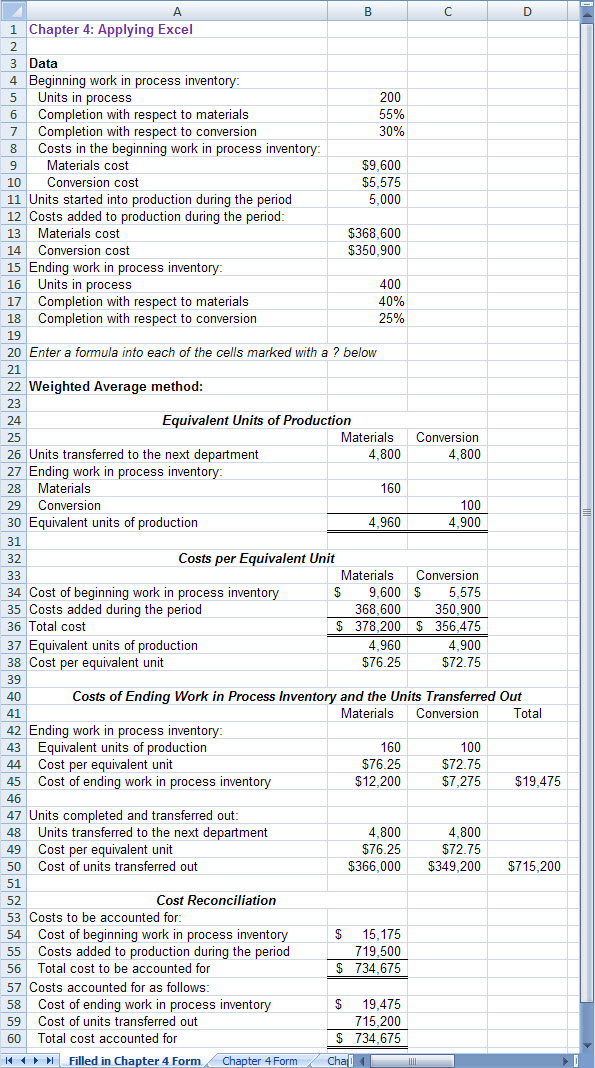
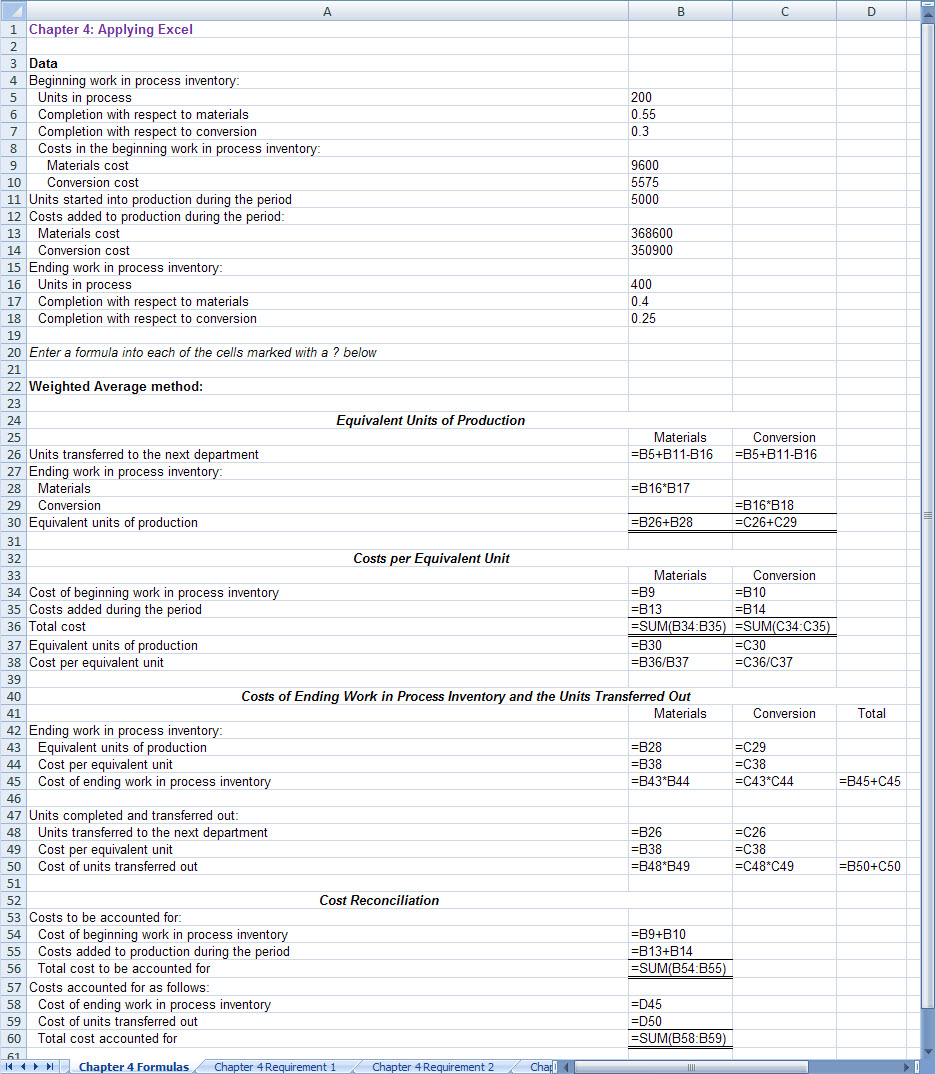
Chapter 4: Applying Excel

The completed worksheet is shown below.

****

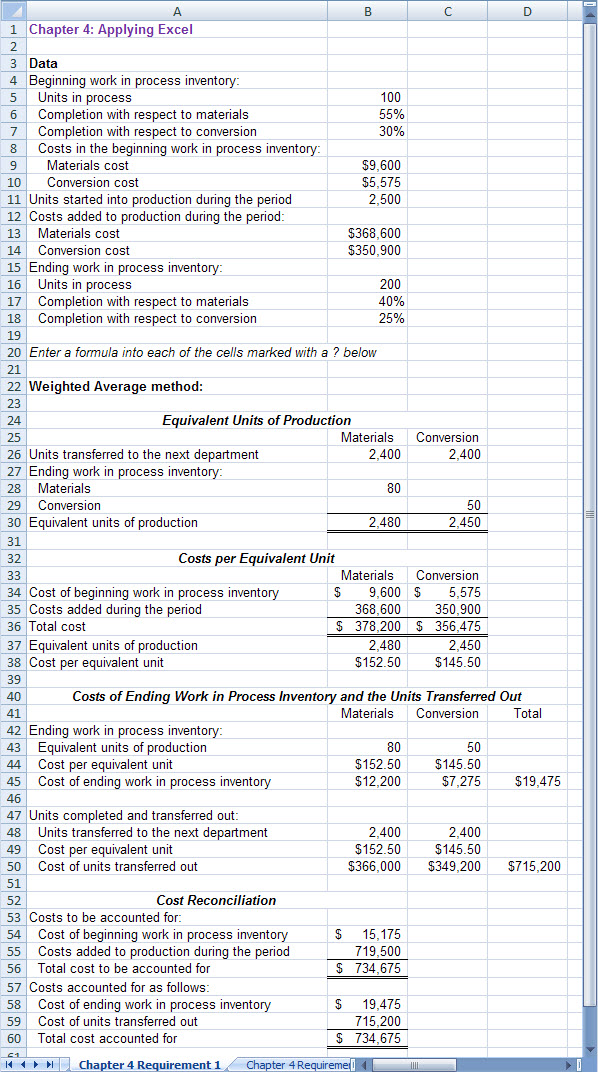
Chapter 4: Applying Excel (continued)

The completed worksheet, with formulas displayed, is shown below.

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Chapter 4: Applying Excel (continued)

1. When the units are changed, the worksheet changes as show below:

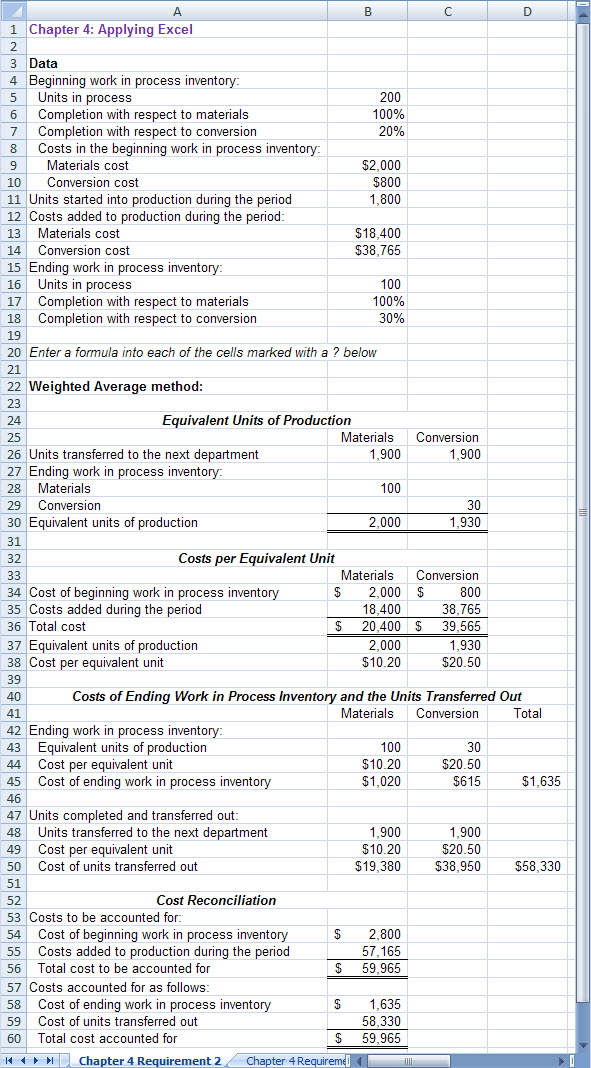
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Chapter 4: Applying Excel (continued)

All of the amounts involving units were cut in half. The units in beginning work in process inventory were reduced from 200 units to 100 units; the units started into production during the period were reduced from 5,000 units to 2,500 units; and the units in ending work in process inventory were reduced from 400 units to 200 units. All of the costs remained the same. The effect was to double the cost per equivalent unit, but the total cost of the units transferred out was unaffected. When a cost per equivalent unit that is twice as much is multiplied by units that are half as much, the result is unaffected.

Chapter 4: Applying Excel (continued)

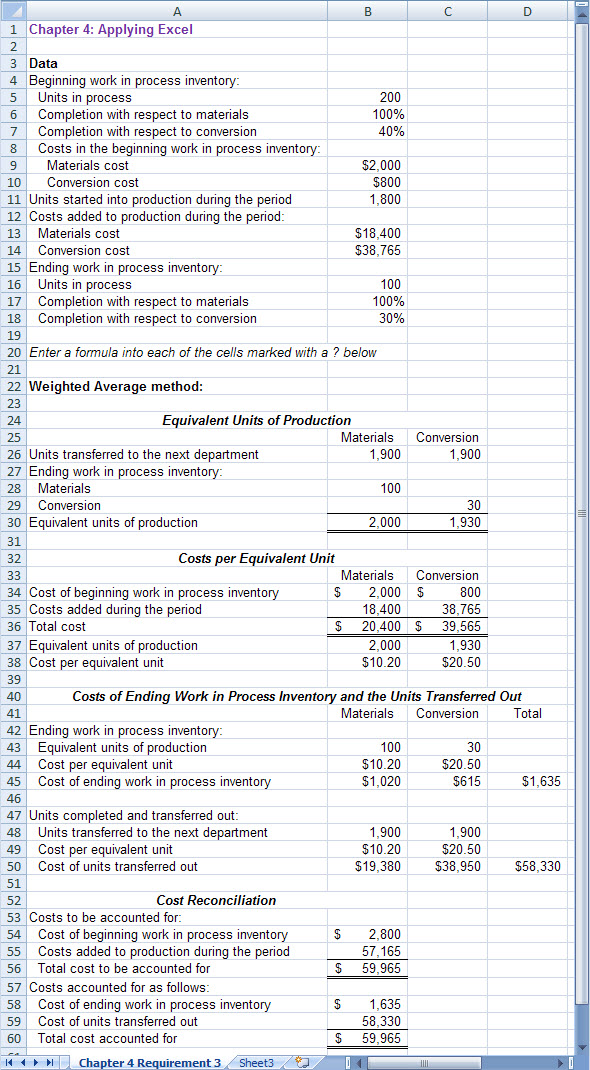
2. With all of the changes in the data, the worksheet should look like:

****

The cost of the units transferred out is $58,330.

Chapter 4: Applying Excel (continued)

3. Changing the percentage completion with respect to conversion for beginning inventory from 20% to 40% results in:

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Chapter 4: Applying Excel (continued)

The cost per equivalent unit for conversion is not affected by the increase in the percentage completion of the beginning inventory. In fact, nothing else on the worksheet is affected except this one amount. This is a consequence of using the weighted-average method. If the FIFO method had been used, the change in the percentage completion of beginning inventory would have affected the cost per equivalent unit and many other amounts on the worksheet.