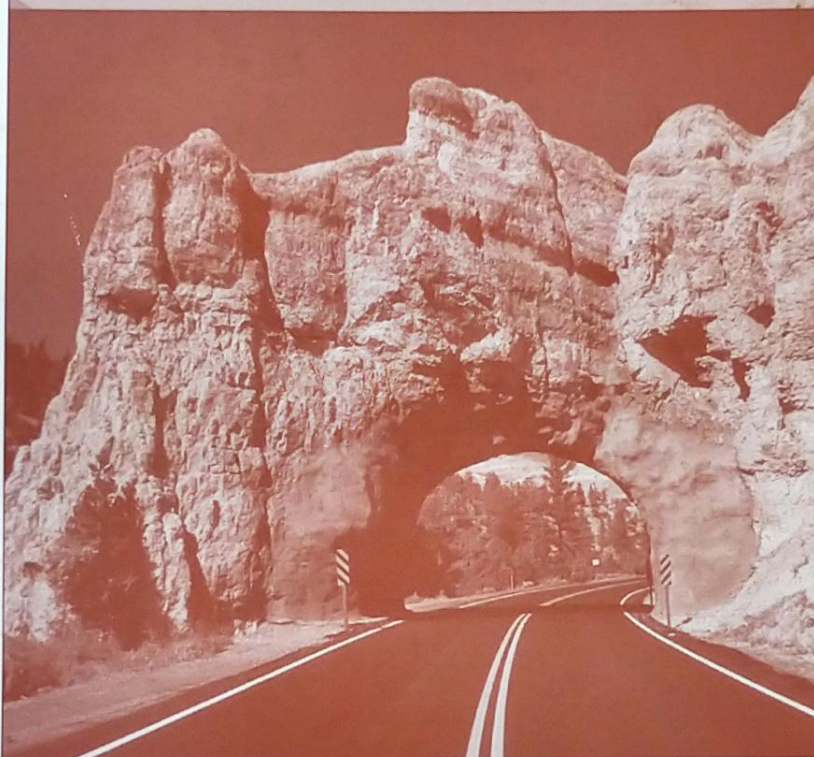


Working Papers

for use with

FUNDAMENTAL MANAGERIAL ACCOUNTING CONCEPTS

Third Edition



Edmonds / Edmonds / Tsay / Olds

Prepared by
Bor-Yi Tsay

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Fundamental Managerial Accounting Concepts

Third Edition

Thomas P. Edmonds
Cindy D. Edmonds
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All of University of Alabama -- Birmingham

Philip R. Olds
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Chapter 1 - Management Accounting: A Value-added Discipline

Exercise 1-1A

	Managerial Accounting	Financial Accounting
a.		
b.		
c.		
d.		
e.		
f.		
g.		
h.		
i.		
j.		

Exercise 1-2A

	Product Cost	General, Selling, and Administrative Cost
a.		
b.		
c.		
d.		
e.		
f.		
g.		
h.		
i.		
j.		

Chapter 1 - Management Accounting: A Value-added Discipline

Exercise 1-3A

Cost Category	Product / G, S, & A	Asset / Expense
Wages of production workers		
Advertising		
Promotion costs		
Production supplies		
Depreciation on administration building		
Depreciation on manufacturing equipment		
Research and development costs		
Costs to set up manufacturing equipment		
Utilities used in factory		
Cars for sales staff		
Distributions to stockholders		
General office supplies		
Raw materials used in the manufacturing process		
Costs to rent office equipment		

Exercise 1-4A

	Assets	=	Liab.	+	Equity	Rev.	-	Exp.	=	Net Inc.	Cash Flow
1.											
2.											

Exercise 1-5A

Event No.	Assets				=	Equity		Rev.	Exp.	=	Net Inc.	Cash Flow
	Cash	+ Inventory	+ Equip.	+ Furn.	=	Cont. Cap.	Ret. Ear.					
1.												
2.												

Chapter 1 - Management Accounting: A Value-added Discipline

Exercise 1-6A

a.
b.
c.

Chapter 1 - Management Accounting: A Value-added Discipline

Exercise 1-7A

- a. Payroll costs that would be classified as general, selling, and administrative expense include the following:

Total	

- b. Payroll costs that would be classified as product cost include the following:

Total	\$800,000

Chapter 1 - Management Accounting: A Value-added Discipline

Exercise 1-8A

Event No.	Assets				=	Equity		Rev. - Exp. = Net Inc.			Cash Flow
	Cash	+ Inventory	+ Manuf. Equip.	+ Office Furn.	=	Cont. Cap.	+ Ret. Ear.	NA	- NA	= NA	
1	NA	+ I	+ D	+ NA	=	NA	+ NA	NA	- NA	= NA	NA
2		+	+	+	=		+		-	=	
3		+	+	+	=		+		-	=	
4		+	+	+	=		+		-	=	
5		+	+	+	=		+		-	=	
6		+	+	+	=		+		-	=	
7		+	+	+	=		+		-	=	
8		+	+	+	=		+		-	=	

Exercise 1-9A

a.

Total product cost	

b.

c.

Exercise 1-10A

a.
b.

Exercise 1-11A

Event No.	Net Income Amount of Change	Cash Flow Amount of Change
1. Acquisition of printers	NA	(\$4,000) IA
1. Adjusting entry	(\$1,000)	NA
2. Acquisition of mfg. equipment		
2. Adjusting entry		
3. Prepaid rent		
3. Adjusting entry		
4. Prepaid rent		
4. Adjusting entry		
5. Acquisition of supplies		
5. Adjusting entry		
6. Acquisition of supplies		
6. Adjusting entry		

Exercise 1-12A

a.
b.

b.

Total cost	
Price	

Income Statement	
Net Income (Loss)	\$ (7,720,000)

e.