

McCallum Tool Company has two departments, assembly and finishing. The assembly department takes purchased parts and assembles the final product. The finishing department performs testing and adds other materials and packages the product. Direct materials are added at the end of the process in the finishing department. The following summarizes the finishing department's operations for the month of July.

	Number of Units
Work-in-process, July 1, 50% complete for conversion costs	3,000
Transferred in during July	25,000
Completed during July	27,000
Work-in-process, July 31, 50% complete for conversion costs	1,000

	Costs
Work-in-process, July 1 (transferred-in costs, \$50,000; conversion costs, \$33,025)	\$ 83,025
Transferred in from assembly department during July	153,000
Direct materials added during July	87,750
Conversion added during July	42,600
Total to account for	<u>\$366,375</u>

Required:

Calculate each of the following amounts for the finishing department using the weighted-average process costing method, and then prepare the requested journal entries.

1. Equivalent units of transferred-in, direct materials, and conversion.
2. Equivalent unit costs for transferred-in costs, direct materials, and conversion.
3. Cost of goods completed and transferred out during July.
4. Cost of Work-in-process inventory at July 31.
5. Prepare the journal entries for direct materials, direct labor, overhead, and finished product for July, assuming that direct labor is 50% of conversion cost.