

# GRADED PROJECT

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**Directions:** Be sure to make an electronic copy of your answer before submitting it to Ashworth College for grading. Unless otherwise stated, answer in complete sentences, and be sure to use correct English spelling and grammar. Sources must be cited in APA format. Your response should be a minimum of one (1) single-spaced page to a maximum of two (2) pages in length; refer to the "Assignment Format" page for specific format requirements.

**Assignment Details:** This assignment will include the four-part graded project described below and 20 multiple choice exam questions covering this lesson, Manufacturing Accounting. The combined project and exam portions of this Assignment total 100 points.

You should complete your work for this project at this time and submit it with the exam questions (available at the Assignments tool).

## Part A

(2 points each for a possible total of 6 points)

The following information is given for Tripp Company, which uses the indirect method.

Net income	\$20,000
Depreciation expense	3,000
Increase in accounts receivable	2,000
Payment of dividends	2,000
Proceeds from sale of equipment	6,000
Increase in accounts payable	4,000
Decrease in inventory	3,000

From the information provided, answer the following questions:

1. The cash flow from operating activities is \_\_\_\_\_.
2. The cash flow from investing activities is \_\_\_\_\_.
3. The cash flow from financing activities is \_\_\_\_\_.



## Part B

(2 points each for a possible total of 10 points)

Selected data for Stick's Design are given as of December 31, Year 1 and Year 2 (rounded to the nearest hundredth).

	Year 2	Year 1
Net Credit Sales	\$25,000	\$30,000
Cost of Goods Sold	16,000	18,000
Net Income	2,000	2,800
Cash	5,000	900
Accounts Receivable	3,000	2,000
Inventory	2,000	3,600
Current Liabilities	6,000	5,000

Compute the following:

1. Current ratio for Year 2
2. Acid-test ratio for Year 2
3. Accounts receivable turnover for Year 2
4. Average collection period for Year 2
5. Inventory turnover for Year 2

## Part C

(10 points)

Prepare an income statement showing departmental contribution margin based on the following:

	Dept. X	Dept. Y	Rent Expense
Space (square feet)	17,500		35,000
Net Sales	\$60,000	\$40,000	
Cost of Goods Sold	18,000		16,000
Rent Expense (allocated based on square feet)			\$2,700

## Part D

(4 points each for a possible total of 24 points)

From the following transactions, prepare the appropriate general journal entries for the month of April.

1. Raw materials costing \$60,000 were issued from the storeroom.
2. Direct labor of \$53,000 was charged to production.
3. Indirect labor costs of \$17,000 were incurred.
4. Overhead was applied at the rate of 40% of direct labor dollars.
5. Completed products costing \$42,000 were transferred to finished goods.
6. Products costing \$32,000 were sold.

### PROJECT UPLOAD

Once you've completed this assignment, login to the student portal at <https://students.ashworthcollege.edu>. To log in, you'll need the **username** and **password** that you received via email. From the Student Portal page, enter your username and password (Figure 1). Then click **Login**.

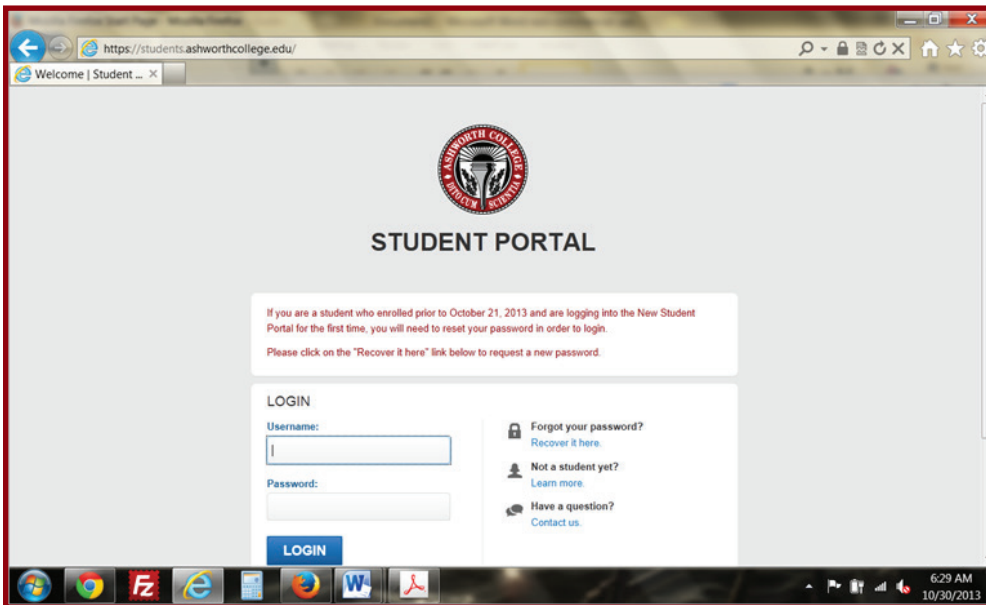


Figure 1

