Management Accounting Costing Tutorial

Corrections

Page: 55
The opening entry ‘1 Oct £10,000’ for the Inventory - blue denim (2000) account should be recorded on the debit side

Page: 239
The label at the bottom of the graph should read ‘Units of output (per month)’.

Page: 276
Task 1.2(b):
For the profit centre, Dept C should be ticked and Dept D should be crossed.
The first sentence of Advice to the owner should be:

'Department Cee is performing better than Department Dee for all four of the criteria.'

Page: 298
Production Overheads Account: Finishing Department. Please note that the transfer to the statement of profit or loss should read 'under-absorption' (not 'over-absorption').

Page: 310
Task 7.9(a)
Fixed overheads should read 650 not 585 – variance should read 5 not 60.
Profit from operations should read 169 not 234 – variance should read 39 not -26

Task 7.9(b)
Should read (b) Direct Materials.

Page 324
Task 9.1
The net present value figure for Project Wye should be ticked (not crossed).