**Solution Answer of Responsi #5 – Q Class –**

1. Classify the following as Direct Material, Direct Labor, and Factory Overhead:
2. Direct Material (DM): Oil used for assembly line machinery, steel, paper used to make textbook, and glue used to bind books.
3. Direct Labor (DL): Wages of employees that operate painting equipment, and wages of printing machine employees
4. Factory Overhead (FO): Maintenance on printing machines.
5. Not include in those three criteria: Wages of plant manager **(indirect labor)**
7. Classify the following as Direct Material, Direct Labor, and Factory Overhead:

* Direct Material: Cost of direct materials used in production $60,000
* Direct Labor: Direct labor 90,000
* Overhead Factory: Factory overhead 44,000

1. Cost of goods manufactured = DM + DL + FO + Beginning work in process inventory - Less ending work in process inventory

Cost of goods manufactured = 60.000 + 90.000 + 44.000 + 20.000 – 16.000

**Cost of goods manufactured = 198.000**

1. Cost of goods sold = Cost of goods manufactured + Beginning Finished goods Inventory – ending finished goods inventory

Cost of goods sold = 198.000 + 36.000 - 20.000

**Cost of goods sold = 214.000**