

B-20.021

Zeus Corporation produces cultured diamonds via a secretive process that grows the diamonds in a vacuum chamber filled with a carbon gas cloud. The diamonds are produced in a single continuous process and Zeus uses the FIFO process costing method of accounting for production.

The production process requires constant utilization of facilities and equipment, as well as direct labor by skilled technicians. As a result, direct labor and factory overhead are both deemed to be introduced uniformly throughout production.

At the beginning of June, 20X9, 4,000 diamonds were in process. During June, an additional 8,000 diamonds were started. 7,000 diamonds were completed and transferred to finished goods.

As of the beginning of the month, work in process was 80% complete with respect to materials and 60% complete with respect to conversion costs.

As of the end of the month, work in process was 70% complete with respect to materials and 40% complete with respect to conversion costs.

Prepare a "unit reconciliation" schedule that includes calculations showing the equivalent units of materials, direct labor, and factory overhead for June.