

This paper earns a grade of _____.

- 1 Billboard advertising space would be period cost, not a product cost.
- 2 Beginning work in process, plus conversion costs, minus ending work in process, equals cost of goods manufactured.
- 3 Conversion costs are always the same, no matter the level of output.
- 4 Production costs generally consist of prime costs plus manufacturing overhead.
- 5 Product costs attach can also be described as “inventoriable.”
- 6 The cost of air filters used in the paint shop of a manufacturing facility is a period cost because they are replaced monthly.
- 7 Nonmanufacturing costs for selling and general/administrative purposes are not part of factory overhead.
- 8 Manufacturers may have three inventory categories: raw materials, finished goods, and cost of goods sold.
- 9 The cost of carbon fiber incorporated into the frame of a bicycle built by TecTrack Bikes is a product cost.
- 10 Prime costs include direct labor and manufacturing overhead.