

Five of the following nine statements are patently false. Find the five false statements. The other statements are true. For the false statements, mark the words that make the statement false.

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1. In a process costing environment involving multiple departments, **raw materials are only introduced in the first department**, but labor and overhead may occur in any department.
 2. The primary difference between job costing and process costing is that with process costing, costs are captured for each process or department rather than for each job.
 3. A job costing environment uses a *job cost sheet*, but a process costing environment uses a *cost allocation report*.
 4. Process costing would be logically suited to a manufacturer of barbed wire fencing material.
 5. An item is not considered in the equivalent units calculations until it is a finished good.
 6. Factory overhead is not applied in a process costing environment.
 7. It would be logical to maintain a separate Work in Process ledger account for each department.
 8. The balance sheet of a business that uses process costing methods would include work in process and finished goods, but not raw materials inventory.
 9. Process costing can be applied on a weighted-average or FIFO basis.