Brief Exercise 1-4

Lompac Products
Schedule of Cost of Goods Manufactured

Direct materials:
  Beginning raw materials inventory $  60,000
  Add:  Purchases of raw materials 690,000
  Raw materials available for use $750,000
  Deduct:  Ending raw materials inventory  45,000  $705,000

Direct labor  135,000

Manufacturing overhead  370,000

Total manufacturing costs $1,210,000

Add:  Beginning work in process inventory  120,000
     $1,330,000

Deduct:  Ending work in process inventory  130,000

Cost of goods manufactured $1,200,000