

**SOUNDS GREAT SPEAKER, INC.
A PROCESS COSTING CASE**

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ABSTRACT

This is a process costing case that I use in my undergraduate cost accounting classes. After completing this exercise, students should have a better understanding of the “Big Picture” of process costing. This case expands the presentation of process costing that is generally available in textbooks by combining, into one exercise, the issues associated with multiple departments, multiple months, and spoilage.

I wrote this case because I found that my students didn’t understand how the production cost report from one month connects with the report of the following month. They had difficulty understanding how they would gather the information to prepare the report if the data was not given to them in the organized form used in most textbooks.