

Q1 What are the expected final sales values of production, respectively, if Product Z5 and Product V7 are produced?

$$\begin{array}{l} \text{Z5} \quad \quad \quad 700 \times \$ \quad 25 = \$ 17,500 \\ \text{V7} \quad \quad \quad 230 \times \$ \quad 30 = \$ 6,900 \end{array}$$

Q2 What is Product Z5's and V7's estimated net-realizable value at the splitoff point?

$$\begin{array}{l} 17,500 - \quad 150 = \quad 17,350 \\ 6,900 - \quad 275 = \quad 6,625 \end{array}$$

Q3 Joint Cost = 1,250 × \$ 3.60 = 4,500

	NRV		Joint Cost	Separable cost	Total	Unit Cost
Z5	17,350	72.37%	3,257	150	3,407	\$ 4.87
V7	6,625	27.63%	1,243	275	1,518	\$ 6.60
	23,975		4,500			

Q4

	Physical Measure		Joint Cost	Separable cost	Total	Unit Cost
Z5	750	75.00%	3,375	150	3,525	\$ 5.04
V7	250	25.00%	1,125	275	1,400	\$ 6.09
	1,000		4,500			

Q5

Inventory	NRV	Inventory Value	Physical Measure	Inventory Value	
70	\$ 4.87	\$ 340.65	\$ 5.04	\$ 352.50	Higher
46	\$ 6.60	\$ 303.70	\$ 6.09	\$ 280.00	Lower
		\$ 644.35		\$ 632.50	Lower