

ACCOUNTING in the headlines

Would R.S. Owens, the manufacturer of Oscar statues, use job costing or process costing?

The [Academy Awards](#) is an annual American awards ceremony honoring achievements in the film industry. Winners receive a statue officially named the “Academy Award of Merit.” However, these statues are much better known by the nickname of “Oscars.” Each Oscar statue weighs 8.5 pounds and takes three to four weeks to manufacture. The statues have been manufactured by [R.S. Owens](#), a company in Chicago, for over 70 years. R.S. Owens also makes the Emmy Award trophies and other awards.

Watch this [CNN video](#) to see how an Oscar statue is made.

Question

1. What direct materials are used in the production of Oscars?
2. Is there any direct labor involved in the production of Oscars? If so, what tasks are done by the workers classified as direct labor?
3. What indirect labor would be involved in the production of Oscars?
4. What other indirect manufacturing costs do you think would be incurred in the production of Oscars? Use your imagination.