Introduction to Managerial Accounting 8th edition Brewer Test Bank

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Introduction to Managerial Accounting, 8e **(Brewer)**
Chapter 2 Job-Order Costing: Calculating Unit Product Costs

1) A cost driver is a factor, such as machine-hours, beds occupied, computer time, or flight-hours, that causes direct costs.

Answer: FALSE
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

2) Job-order costing systems often use allocation bases that do not reflect how jobs actually use overhead resources.

Answer: TRUE
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

3) An employee time ticket is an hour-by-hour summary of the employee's activities throughout the day.

Answer: TRUE
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
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4) The formula for computing the predetermined overhead rate is:
Predetermined overhead rate = Estimated total amount of the allocation base ÷ Estimated total manufacturing overhead cost

Answer: FALSE
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Remember
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

5) Generally speaking, when going through the process of computing a predetermined overhead rate, the estimated total manufacturing overhead cost is determined before estimating the amount of the allocation base.

Answer: FALSE
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

6) If a job is not completed at year end, then no manufacturing overhead cost would be applied to that job when a predetermined overhead rate is used.

Answer: FALSE
Difficulty: 2 Medium
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

7) Actual overhead costs are not assigned to jobs in a job costing system.

Answer: TRUE
Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Understand
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8) The amount of overhead applied to a particular job equals the actual amount of overhead caused by the job.

Answer: FALSE
Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

9) If the overhead rate is computed annually based on the actual costs and activity for the year, the manufacturing overhead assigned to any particular job can be computed as soon as the job is completed.

Answer: FALSE
Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

10) Job cost sheets contain entries for actual direct material, actual direct labor, and actual manufacturing overhead cost incurred in completing a job.

Answer: FALSE
Difficulty: 2 Medium
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

11) In a job-order cost system, indirect labor is assigned to a job using information from the employee time ticket.

Answer: FALSE
Difficulty: 3 Hard
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Understand
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12) If the allocation base in the predetermined overhead rate does not drive overhead costs, it will nevertheless provide reasonably accurate unit product costs because of the averaging process.

Answer: FALSE
Difficulty: 1 Easy
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

13) A job cost sheet is used to record how much a customer pays for the job once the job is completed.

Answer: FALSE
Difficulty: 2 Medium
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

14) In a job-order costing system, costs are traced to individual units of product. The sum total of such traced costs is called the unit product cost.

Answer: FALSE
Difficulty: 2 Medium
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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15) The fact that one department may be labor intensive while another department is machine intensive explains in part why multiple predetermined overhead rates are often used in larger companies.

Answer: TRUE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Remember
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

16) A company will improve job cost accuracy by using multiple overhead rates even if it cannot identify more than one overhead cost driver.

Answer: FALSE
Difficulty: 2 Medium
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

17) The appeal of using multiple departmental overhead rates is that they presumably provide a more accurate accounting of the costs caused by jobs.

Answer: TRUE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
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18) The costs attached to products that have not been sold are included in ending inventory on the balance sheet.

Answer: TRUE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

19) In absorption costing, nonmanufacturing costs are assigned to units of product.

Answer: FALSE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

20) An employee time ticket is used to record points that are earned by employees based on the hours they worked that can be used to pay for coffee, food in the cafeteria, and even in some cases for vacation travel.

Answer: FALSE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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21) A bill of materials is a document that lists the type and quantity of each type of direct material needed to complete a unit of product.

Answer: TRUE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

22) Most countries require some form of absorption costing for external reports.

Answer: TRUE
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

23) In a job-order costing system that is based on machine-hours, which of the following formulas is correct?
A) Predetermined overhead rate = Actual manufacturing overhead ÷ Actual machine-hours
B) Predetermined overhead rate = Actual manufacturing overhead ÷ Estimated machine-hours
C) Predetermined overhead rate = Estimated manufacturing overhead ÷ Estimated machine-hours
D) Predetermined overhead rate = Estimated manufacturing overhead ÷ Actual machine-hours

Answer: C
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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24) Which of the following is the correct formula to compute the predetermined overhead rate?
A) Predetermined overhead rate = Estimated total units in the allocation base ÷ Estimated total manufacturing overhead costs
B) Predetermined overhead rate = Estimated total manufacturing overhead costs ÷ Estimated total units in the allocation base
C) Predetermined overhead rate = Actual total manufacturing overhead costs ÷ Estimated total units in the allocation base
D) Predetermined overhead rate = Estimated total manufacturing overhead costs ÷ Actual total units in the allocation base.

Answer: B
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Remember
AACSB: Reflective Thinking
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25) Assigning manufacturing overhead to a specific job is complicated by all of the below except:
A) Manufacturing overhead is an indirect cost that is either impossible or difficult to trace to a particular job.
B) Manufacturing overhead is incurred only to support some jobs.
C) Manufacturing overhead consists of both variable and fixed costs.
D) The average cost of actual fixed manufacturing overhead expenses will vary depending on how many units are produced in a period.

Answer: B
Difficulty: 2 Medium
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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26) Which of the following statements about using a plantwide overhead rate based on direct labor is correct?
A) Using a plantwide overhead rate based on direct labor-hours will ensure that direct labor costs are correctly traced to jobs.
B) Using a plantwide overhead rate based on direct labor costs will ensure that direct labor costs will be correctly traced to jobs.
C) It is often overly simplistic and incorrect to assume that direct labor-hours is a company's only manufacturing overhead cost driver.
D) The labor theory of value ensures that using a plantwide overhead rate based on direct labor will do a reasonably good job of assigning overhead costs to jobs.

Answer: C
Difficulty: 2 Medium
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Understand
AACSB: Reflective Thinking
AICPA: BB Critical Thinking; FN Measurement

27) Which of the following would usually be found on a job cost sheet under a normal cost system?

	Actual direct material cost	Actual manufacturing overhead cost
A)	Yes	Yes
B)	Yes	No
C)	No	Yes
D)	No	No

A) Choice A
B) Choice B
C) Choice C
D) Choice D

Answer: B
Difficulty: 1 Easy
Topic: Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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28) Which of the following statements is NOT correct concerning multiple overhead rate systems?
A) A multiple overhead rate system is more complex than a system based on a single plantwide overhead rate.
B) A multiple overhead rate system is usually more accurate than a system based on a single plantwide overhead rate.
C) A company may choose to create a separate overhead rate for each of its production departments.
D) In departments that are relatively labor-intensive, their overhead costs should be applied to jobs based on machine-hours rather than on direct labor-hours.

Answer: D
Difficulty: 1 Easy
Topic: Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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29) Johansen Corporation uses a predetermined overhead rate based on direct labor-hours to apply manufacturing overhead to jobs. The Corporation has provided the following estimated costs for the next year:

Direct materials	$ 6,000
Direct labor	$ 20,000
Rent on factory building	$ 15,000
Sales salaries	$ 25,000
Depreciation on factory equipment	$ 8,000
Indirect labor	$ 12,000
Production supervisor's salary	$ 15,000

Jameson estimates that 20,000 direct labor-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $2.50 per direct labor-hour
B) $2.79 per direct labor-hour
C) $3.00 per direct labor-hour
D) $4.00 per direct labor-hour

Answer: A
Explanation:

Rent on factory building	$ 15,000
Depreciation on factory equipment	8,000
Indirect labor	12,000
Production supervisor's salary	15,000
Manufacturing overhead	$ 50,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base

Predetermined overhead rate = $50,000 ÷ 20,000 direct labor-hours = $2.50 per direct labor-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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30) The Silver Corporation uses a predetermined overhead rate to apply manufacturing overhead to jobs. The predetermined overhead rate is based on labor cost in Dept. A and on machine-hours in Dept. B. At the beginning of the year, the Corporation made the following estimates:

	Dept. A	Dept. B
Direct labor cost	$ 60,000	$ 40,000
Manufacturing overhead	$ 90,000	$ 45,000
Direct labor-hours	6,000	9,000
Machine-hours	2,000	15,000

What predetermined overhead rates would be used in Dept. A and Dept. B, respectively?
A) 67% and $3.00
B) 150% and $5.00
C) 150% and $3.00
D) 67% and $5.00

Answer: C
Explanation: Dept. A Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base Predetermined overhead rate = $90,000 ÷ $60,000 = 150% of direct labor cost

Dept. B Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base Predetermined overhead rate = $45,000 ÷ 15,000 machine-hours = $3.00 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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31) Purves Corporation is using a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $121,000 and 10,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $113,000 and 10,900 total direct labor-hours during the period. The predetermined overhead rate is closest to:
A) $10.37
B) $12.10
C) $11.10
D) $11.30

Answer: B
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 121,000
Estimated activity level (b)	10,000
Predetermined overhead rate (a) ÷ (b)	$ 12.10

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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32) Reamer Corporation uses a predetermined overhead rate based on machine-hours to apply manufacturing overhead to jobs. The Corporation has provided the following estimated costs for next year:

Direct materials	$ 1,000
Direct labor	$ 3,000
Sales commissions	$ 4,000
Salary of production supervisor	$ 2,000
Indirect materials	$ 400
Advertising expense	$ 800
Rent on factory equipment	$ 1,000

Reamer estimates that 500 direct labor-hours and 1,000 machine-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $6.80 per machine-hour
B) $6.00 per machine-hour
C) $3.00 per machine-hour
D) $3.40 per machine-hour

Answer: D
Explanation:

Salary of production supervisor	$ 2,000
Indirect materials	400
Rent on factory equipment	1,000
Total manufacturing overhead	$ 3,400

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base = $3,400 ÷ 1,000 machine-hours = $3.40 per machine-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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33) Baj Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 534,000	
Estimated activity level from the beginning of the year	30,000	machine-hours
Actual total fixed manufacturing overhead	$ 487,000	
Actual activity level	27,400	machine-hours

The predetermined overhead rate per machine-hour would be closest to:
A) $17.80
B) $19.49
C) $16.23
D) $17.77

Answer: A
Explanation:

Estimated total fixed manufacturing overhead (a)	$534,000
Estimated activity level (b)	30,000
Predetermined overhead rate (a) ÷ (b	$17.80

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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34) Giannitti Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the upcoming year appear below:

Estimated machine-hours	36,000	
Estimated variable manufacturing overhead	$ 3.01	per machine-hour
Estimated total fixed manufacturing overhead	$ 1,058,040	

The predetermined overhead rate for the recently completed year was closest to:
A) $29.39 per machine-hour
B) $32.40 per machine-hour
C) $32.81 per machine-hour
D) $3.01 per machine-hour

Answer: B
Explanation: Estimated total manufacturing overhead = $1,058,040 + ($3.01 per machine-hour × 36,000 machine-hours) = $1,166,400

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base = $1,166,400 ÷ 36,000 machine-hours = $32.40 per machine-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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35) Gilchrist Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. At the beginning of the most recently completed year, the Corporation estimated the machine-hours for the upcoming year at 79,000 machine-hours. The estimated variable manufacturing overhead was $7.38 per machine-hour and the estimated total fixed manufacturing overhead was $2,347,090. The predetermined overhead rate for the recently completed year was closest to:
A) $37.09 per machine-hour
B) $36.07 per machine-hour
C) $7.38 per machine-hour
D) $29.71 per machine-hour

Answer: A
Explanation: Estimated total manufacturing overhead = $2,347,090 + ($7.38 per machine-hour × 79,000 machine-hours) = $2,930,110

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base
= $2,930,110 ÷ 79,000 machine-hours = $37.09 per machine-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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36) Dearden Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $144,000, variable manufacturing overhead of $2.00 per machine-hour, and 60,000 machine-hours. The predetermined overhead rate is closest to:
A) $2.40 per machine-hour
B) $6.40 per machine-hour
C) $4.40 per machine-hour
D) $2.00 per machine-hour

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base)
= $144,000 + ($2.00 per machine-hour × 60,000 machine-hours)
= $144,000 + $120,000 = $264,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base
= $264,000 ÷ 60,000 machine-hours = $4.40 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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37) Longobardi Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the Corporation estimated the labor-hours for the upcoming year at 46,000 labor-hours. The estimated variable manufacturing overhead was $6.25 per labor-hour and the estimated total fixed manufacturing overhead was $1,026,260. The actual labor-hours for the year turned out to be 41,200 labor-hours. The predetermined overhead rate for the recently completed year was closest to:
A) $28.56 per labor-hour
B) $22.31 per labor-hour
C) $6.25 per labor-hour
D) $31.16 per labor-hour

Answer: A
Explanation: Estimated total manufacturing overhead = $1,026,260 + ($6.25 per labor-hour × 46,000 labor-hours) = $1,313,760

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base
= $1,313,760 ÷ 46,000 labor-hours = $28.56 per labor-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

38) Valvano Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $440,000, variable manufacturing overhead of $2.20 per machine-hour, and 50,000 machine-hours. The estimated total manufacturing overhead is closest to:
A) $440,000
B) $110,000
C) $440,002
D) $550,000

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $440,000 + ($2.20 per machine-hour × 50,000 machine-hours) = $440,000 + $110,000 = $550,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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39) Brothern Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the most recently completed year appear below:

Estimates made at the beginning of the year:		
Estimated machine-hours	39,000	
Estimated variable manufacturing overhead	$ 6.76	per machine-hour
Estimated total fixed manufacturing overhead	$ 794,430	
Actual machine-hours for the year	42,700	

The predetermined overhead rate for the recently completed year was closest to:
A) $25.37 per machine-hour
B) $27.13 per machine-hour
C) $6.76 per machine-hour
D) $20.37 per machine-hour

Answer: B
Explanation: Estimated total manufacturing overhead =$794,430 + ($6.76 per machine-hour × 39,000 machine-hours) = $1,058,070

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base
= $1,058,070 ÷ 39,000 machine-hours
= $27.13 per machine-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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40) Steele Corporation uses a predetermined overhead rate based on machine-hours to apply manufacturing overhead to jobs. Steele Corporation has provided the following estimated costs for next year:

Direct materials	$ 20,000
Direct labor	$ 60,000
Sales commissions	$ 80,000
Salary of production supervisor	$ 40,000
Indirect materials	$ 8,000
Advertising expense	$ 16,000
Rent on factory equipment	$ 20,000

Steele estimates that 10,000 direct labor-hours and 16,000 machine-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $4.25
B) $8.00
C) $9.00
D) $10.25

Answer: A
Explanation:

Salary of production supervisor	$ 40,000
Indirect materials	8,000
Rent on factory equipment	20,000
Manufacturing overhead	$ 68,000

Predetermined overhead rate = Estimated total manufacturing overhead ÷ Estimated total amount of the allocation base

Predetermined overhead rate = $68,000 ÷ 16,000 machine-hours = $4.25 per machine-hour
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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41) Helland Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	30,000
Total fixed manufacturing overhead cost	$ 189,000
Variable manufacturing overhead per direct labor-hour	$ 2.50

The predetermined overhead rate is closest to:
A) $2.50 per direct labor-hour
B) $11.30 per direct labor-hour
C) $6.30 per direct labor-hour
D) $8.80 per direct labor-hour

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $189,000 + ($2.50 per direct labor-hour × 30,000 direct labor-hours) = $189,000 + $75,000 = $264,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $264,000 ÷ 30,000 direct labor-hours = $8.80 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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42) Laflame Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$ 357,000
Variable manufacturing overhead per machine-hour	$ 3.90

The estimated total manufacturing overhead is closest to:
A) $273,000
B) $630,000
C) $357,004
D) $357,000

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $357,000 + ($3.90 per machine-hour × 70,000 machine-hours) = $357,000 + $273,000 = $630,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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43) Almaraz Corporation has two manufacturing departments—Forming and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Finishing	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 40,600	$ 8,100	$ 48,700
Estimated variable manufacturing overhead cost per MH	$ 1.30	$ 2.80	

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $6.62
B) $4.87
C) $4.10
D) $7.10

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Forming

Estimated fixed manufacturing overhead	$ 40,600
Estimated variable manufacturing overhead ($1.30 per MH × 7,000 MHs)	9,100
Estimated total manufacturing overhead cost	$ 49,700

Finishing

Estimated fixed manufacturing overhead	$ 8,100
Estimated variable manufacturing overhead ($2.80 per MH × 3,000 MHs)	8,400
Estimated total manufacturing overhead cost	$ 16,500

The second step is to combine the estimated manufacturing overhead costs in the two departments ($49,700 + $16,500 = $66,200) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 66,200
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 6.62per MH

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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44) Bernson Corporation is using a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $492,000 and 30,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $517,000 and 28,300 total machine-hours during the period. The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $464,120
B) $492,000
C) $487,703
D) $25,000

Answer: A
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 492,000
Estimated activity level (b)	30,000
Predetermined overhead rate (a) ÷ (b)	$ 16.40
Actual activity level	28,300
Manufacturing overhead applied	$ 464,120

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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45) Beat Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	40,000
Total fixed manufacturing overhead cost	$ 344,000
Variable manufacturing overhead per machine-hour	$ 3.90

Recently, Job M759 was completed. It required 60 machine-hours. The amount of overhead applied to Job M759 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $750
B) $516
C) $984
D) $234

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $344,000 + ($3.90 per machine-hour × 40,000 machine-hours) = $344,000 + $156,000 = $500,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $500,000 ÷ 40,000 machine-hours = $12.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.50 per machine-hour × 60 machine-hours = $750
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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46) Mundorf Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	9,000	1,000	10,000
Estimated total fixed manufacturing overhead cost	$ 52,200	$ 2,400	$ 54,600
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job H
Forming machine-hours	6,100	2,900
Assembly machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job B is closest to:
A) $48,555
B) $35,490
C) $2,988
D) $45,567

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Forming

Estimated fixed manufacturing overhead	$ 52,200
Estimated variable manufacturing overhead ($2.00 per MH × 9,000 MHs)	18,000
Estimated total manufacturing overhead cost	$ 70,200

Assembly

Estimated fixed manufacturing overhead	$ 2,400
Estimated variable manufacturing overhead ($2.10 per MH × 1,000 MHs)	2,100
Estimated total manufacturing overhead cost	$ 4,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($70,200 + $4,500 = $74,700) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 74,700	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 7.47	per MH

The overhead applied to Job B is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $7.47 per MH × (6,100 MHs + 400 MHs)
= $7.47 per MH × (6,500 MHs)
= $48,555
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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47) Parido Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	8,000	2,000	10,000
Estimated total fixed manufacturing overhead cost	$ 44,000	$ 4,200	$ 48,200
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 3.00	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Casting machine-hours	5,400	2,600
Assembly machine-hours	800	1,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $8,328
B) $26,372
C) $18,316
D) $18,044

Answer: B
Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Casting

Estimated fixed manufacturing overhead	$ 44,000
Estimated variable manufacturing overhead ($1.90 per MH × 8,000 MHs)	15,200
Estimated total manufacturing overhead cost	$ 59,200

Assembly

Estimated fixed manufacturing overhead	$ 4,200
Estimated variable manufacturing overhead ($3.00 per MH × 2,000 MHs)	6000
Estimated total manufacturing overhead cost	$ 10,200

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($59,200 + $10,200 = $69,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 69,400
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 6.94per MH

The overhead applied to Job H is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $6.94 per MH × (2,600 MHs + 1,200 MHs)
= $6.94 per MH × (3,800 MHs)
= $26,372
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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48) Juanita Corporation uses a job-order costing system and applies overhead on the basis of direct labor cost. At the end of October, Juanita had one job still in process. The job cost sheet for this job contained the following information:

Direct materials	$ 480
Direct labor	$ 150
Manufacturing overhead applied	$ 600

An additional $100 of labor was needed in November to complete this job. For this job, how much should Juanita have transferred to finished goods inventory in November when it was completed?
A) $1,330
B) $500
C) $1,230
D) $1,730

Answer: D
Explanation: Overhead applied = Predetermined overhead rate × Amount of the allocation base incurred $600 = Predetermined overhead rate × $150

Predetermined overhead rate = $600 ÷ $150 = 4.0

Direct materials	$ 480
Direct labor ($150 + $100)	250
Manufacturing overhead applied (4.0 × $250)	1,000
Total product cost	$ 1,730

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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49) Carradine Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $105,000, variable manufacturing overhead of $3.00 per machine-hour, and 70,000 machine-hours. The company recently completed Job P233 which required 60 machine-hours. The amount of overhead applied to Job P233 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $90
B) $270
C) $450
D) $180

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $105,000 + ($3.00 per machine-hour × 70,000 machine-hours) = $105,000 + $210,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 70,000 machine-hours = $4.50 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.50 per machine-hour × 60 machine-hours = $270
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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50) Fusaro Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 684,000	
Estimated activity level from the beginning of the year	40,000	machine-hours
Actual total fixed manufacturing overhead	$ 616,000	
Actual activity level	37,700	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $644,670
B) $684,000
C) $68,000
D) $580,580

Answer: A
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 684,000
Estimated activity level (b)	40,000
Predetermined overhead rate (a) ÷ (b)	$ 17.10
Actual activity level	37,700
Manufacturing overhead applied	$ 644,670

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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51) Koelsch Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,000	$ 25,200	$ 29,200
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$ 12,300	$ 8,400
Direct labor cost	$ 18,200	$ 6,800
Molding machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job K is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $72,561
B) $79,817
C) $24,187
D) $48,374

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Molding

Estimated fixed manufacturing overhead	$ 4,000
Estimated variable manufacturing overhead ($2.00 per MH × 1,000 MHs)	2,000
Estimated total manufacturing overhead cost	$ 6,000

Customizing

Estimated fixed manufacturing overhead	$ 25,200
Estimated variable manufacturing overhead ($3.00 per MH × 9,000 MHs)	27,000
Estimated total manufacturing overhead cost	$ 52,200

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($6,000 + $52,200 = $58,200) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 58,200
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 5.82per MH

The overhead applied to Job K is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.82 per MH × (300 MHs + 5,400 MHs)
= $5.82 per MH × (5,700 MHs)
= $33,174

Job K's manufacturing cost:

Direct materials	$ 8,400
Direct labor cost	6,800
Manufacturing overhead applied	33,174
Total manufacturing cost	$ 48,374

The selling price for Job K:

Total manufacturing cost	$ 48,374
Markup (50%)	24,187
Selling price	$ 72,561

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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52) Thach Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $665,000, variable manufacturing overhead of $3.00 per machine-hour, and 70,000 machine-hours. Recently, Job T321 was completed with the following characteristics:

Number of units in the job	30
Total machine-hours	90
Direct materials	$ 630
Direct labor cost	$ 2,880

The unit product cost for Job T321 is closest to:
A) $117.00
B) $58.50
C) $154.50
D) $51.50

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $665,000 + ($3.00 per machine-hour × 70,000 machine-hours) = $665,000 + $210,000 = $875,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $875,000 ÷ 70,000 machine-hours = $12.50 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.50 per machine-hour × 90 machine-hours = $1,125

Direct materials	$ 630
Direct labor	2,880
Manufacturing overhead applied	1,125
Total cost of Job T321	$ 4,635

Total cost of Job T321 (a)	$ 4,635
Number of units (b)	30
Unit product cost (a) ÷ (b)	$ 154.50

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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53) Tancredi Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 22,000	$ 11,500	$ 33,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 3.00	

During the most recent month, the company started and completed two jobs—Job E and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job E	Job J
Direct materials	$ 12,800	$ 7,000
Direct labor cost	$ 17,600	$ 7,700
Machining machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. If both jobs are sold during the month, the company's cost of goods sold for the month would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $61,450
B) $41,150
C) $110,808
D) $102,600

Answer: D
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 22,000
Estimated variable manufacturing overhead ($1.80 per MH × 5,000 MHs)	9,000
Estimated total manufacturing overhead cost	$ 31,000

Customizing

Estimated fixed manufacturing overhead	$ 11,500
Estimated variable manufacturing overhead ($3.00 per MH × 5,000 MHs)	15,000
Estimated total manufacturing overhead cost	$ 26,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($31,000 + $26,500 = $57,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 57,500
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 5.75per MH

The overhead applied to Job E is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.75 per MH × (3,400 MHs + 2,000 MHs)
= $5.75 per MH × (5,400 MHs)
= $31,050

Job E's manufacturing cost:

Direct materials	$ 12,800
Direct labor cost	17,600
Manufacturing overhead applied	31,050
Total manufacturing cost	$ 61,450

The overhead applied to Job J is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.75 per MH × (1,600 MHs + 3,000 MHs)
= $5.75 per MH × (4,600 MHs)
= $26,450

Job J's manufacturing cost:

Direct materials	$ 7,000
Direct labor cost	7,700
Manufacturing overhead applied	26,450
Total manufacturing cost	$ 41,150

Total manufacturing cost assigned to Job E	$ 61,450
Total manufacturing cost assigned to Job J	41,150
Cost of goods sold	$ 102,600

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Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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54) Session Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	70,000
Total fixed manufacturing overhead cost	$ 511,000
Variable manufacturing overhead per direct labor-hour	$ 2.10

Recently, Job K913 was completed with the following characteristics:

Total direct labor-hours	150
Direct materials	$ 705
Direct labor cost	$ 4,650

The total job cost for Job K913 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,060
B) $2,115
C) $6,765
D) $5,355

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $511,000 + ($2.10 per direct labor-hour × 70,000 direct labor-hours) = $511,000 + $147,000 = $658,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $658,000 ÷ 70,000 direct labor-hours = $9.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.40 per direct labor-hour × 150 direct labor-hours = $1,410

Direct materials	$ 705
Direct labor cost	4,650
Manufacturing overhead applied	1,410
Total cost of Job K913	$ 6,765

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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55) Pebbles Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$ 9,800	$ 6,300	$ 16,100
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.40	

During the most recent month, the company started and completed two jobs—Job A and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job L
Direct materials	$ 15,400	$ 9,600
Direct labor cost	$ 24,900	$ 6,200
Casting machine-hours	1,400	600
Finishing machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $9,600
B) $6,200
C) $28,904
D) $13,104

Answer: C

Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Casting

Estimated fixed manufacturing overhead	$ 9,800
Estimated variable manufacturing overhead ($2.00 per MH × 2,000 MHs)	4,000
Estimated total manufacturing overhead cost	$ 13,800

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Finishing

Estimated fixed manufacturing overhead	$ 6,300
Estimated variable manufacturing overhead ($2.40 per MH × 3,000 MHs)	7,200
Estimated total manufacturing overhead cost	$ 13,500

The second step is to combine the estimated manufacturing overhead costs in the two departments ($13,800 + $13,500 = $27,300) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 27,300
Estimated total machine hours	5,000MHs
Predetermined overhead rate	$ 5.46per MH

The overhead applied to Job L is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.46 per MH × (600 MHs + 1,800 MHs)
= $5.46 per MH × (2,400 MHs)
= $13,104

Job L's manufacturing cost:

Direct materials	$ 9,600
Direct labor cost	6,200
Manufacturing overhead applied	13,104
Total manufacturing cost	$ 28,904

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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56) Stockmaster Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,000	$ 10,500	$ 37,500
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job H
Direct materials	$ 11,200	$ 7,500
Direct labor cost	$ 21,000	$ 7,800
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $96,989
B) $88,172
C) $25,192
D) $62,980

Answer: B

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Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Forming

Estimated fixed manufacturing overhead	$ 27,000
Estimated variable manufacturing overhead ($1.10 per MH × 5,000 MHs)	5,500
Estimated total manufacturing overhead cost	$ 32,500

Assembly

Estimated fixed manufacturing overhead	$ 10,500
Estimated variable manufacturing overhead ($2.80 per MH × 5,000 MHs)	14,000
Estimated total manufacturing overhead cost	$ 24,500

The second step is to combine the estimated manufacturing overhead costs in the two departments ($32,500 + $24,500 = $57,000) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 57,000	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 5.70	per MH

The overhead applied to Job C is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.70 per MH × (3,400 MHs + 2,000 MHs)
= $5.70 per MH × (5,400 MHs)
= $30,780

Job C's manufacturing cost:

Direct materials	$ 11,200
Direct labor cost	21,000
Manufacturing overhead applied	30,780
Total manufacturing cost	$ 62,980

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The selling price for Job C:

Total manufacturing cost	$ 62,980
Markup (40%)	25,192
Selling price	$ 88,172

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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57) Atteberry Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 30,000	$ 11,200	$ 41,200
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.40	

During the most recent month, the company started and completed two jobs—Job E and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job E	Job L
Direct materials	$ 13,400	$ 9,100
Direct labor cost	$ 24,500	$ 7,000
Machining machine-hours	4,100	1,900
Finishing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job E is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $24,500
B) $35,796
C) $13,400
D) $73,696

Answer: D

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Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 30,000
Estimated variable manufacturing overhead ($2.00 per MH × 6,000 MHs)	12,000
Estimated total manufacturing overhead cost	$ 42,000

Finishing

Estimated fixed manufacturing overhead	$ 11,200
Estimated variable manufacturing overhead ($2.40 per MH × 4,000 MHs)	9,600
Estimated total manufacturing overhead cost	$ 20,800

The second step is to combine the estimated manufacturing overhead costs in the two departments ($42,000 + $20,800 = $62,800) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 62,800	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 6.28	per MH

The overhead applied to Job E is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $6.28 per MH × (4,100 MHs + 1,600 MHs)
= $6.28 per MH × (5,700 MHs)
= $35,796

Job E's manufacturing cost:

Direct materials	$ 13,400
Direct labor cost	24,500
Manufacturing overhead applied	35,796
Total manufacturing cost	$ 73,696

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs

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Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

58) Coates Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $249,000, variable manufacturing overhead of $3.80 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job X784 which was recently completed:

Number of units in the job	50
Total machine-hours	250
Direct materials	$ 470
Direct labor cost	$ 5,500

If the company marks up its unit product costs by 30% then the selling price for a unit in Job X784 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $253.87
B) $233.87
C) $53.97
D) $155.22

Answer: B

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $249,000 + ($3.80 per machine-hour × 30,000 machine-hours) = $249,000 + $114,000 = $363,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $363,000 ÷ 30,000 machine-hours = $12.10 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.10 per machine-hour × 250 machine-hours = $3,025

Direct materials	$ 470
Direct labor	5,500
Manufacturing overhead applied	3,025
Total cost of Job X784	$ 8,995

Total cost of Job X784 (a)	$ 8,995
Number of units (b)	50
Unit product cost (a) ÷ (b)	$ 179.90

Unit product cost for Job X784	$ 179.90
Markup (30% × $179.90)	53.97
Selling price	$ 233.87

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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59) Sutter Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	10,000
Total fixed manufacturing overhead cost	$ 35,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job T369 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	40
Direct materials	$ 750
Direct labor cost	$ 1,560

If the company marks up its unit product costs by 20% then the selling price for a unit in Job T369 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $324.56
B) $304.56
C) $277.20
D) $50.76

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $35,000 + ($2.20 per machine-hour × 10,000 machine-hours) = $35,000 + $22,000 = $57,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $57,000 ÷ 10,000 machine-hours = $5.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.70 per machine-hour × 40 machine-hours = $228

Direct materials	$ 750
Direct labor	1,560
Manufacturing overhead applied	228
Total cost of Job T369	$ 2,538

Total cost of Job T369 (a)	$ 2,538
Number of units (b)	10
Unit product cost (a) ÷ (b)	$ 253.80

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Unit product cost for Job T369	$ 253.80
Markup (20% × $253.80)	50.76
Selling price	$ 304.56

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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60) Doakes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	60,000
Total fixed manufacturing overhead cost	$ 378,000
Variable manufacturing overhead per direct labor-hour	$ 2.20

Recently, Job M843 was completed with the following characteristics:

Number of units in the job	60
Total direct labor-hours	120
Direct materials	$ 630
Direct labor cost	$ 2,400

The unit product cost for Job M843 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $33.75
B) $67.50
C) $27.50
D) $50.50

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $378,000 + ($2.20 per direct labor-hour × 60,000 direct labor-hours) = $378,000 + $132,000 = $510,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $510,000 ÷ 60,000 direct labor-hours = $8.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.50 per direct labor-hour × 120 direct labor-hours = $1,020

Direct materials	$ 630
Direct labor	2,400
Manufacturing overhead applied	1,020
Total cost of Job M843	$ 4,050

Total cost of Job M843 (a)	$ 4,050
Number of units (b)	60
Unit product cost (a) ÷ (b)	$ 67.50

Difficulty: 2 Medium

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Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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61) Placker Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $155,000, variable manufacturing overhead of $3.40 per machine-hour, and 50,000 machine-hours. Recently, Job A881 was completed with the following characteristics:

Total machine-hours	100
Direct materials	$ 645
Direct labor cost	$ 2,300

The total job cost for Job A881 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,595
B) $2,945
C) $2,950
D) $1,295

Answer: A

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $155,000 + ($3.40 per machine-hour × 50,000 machine-hours) = $155,000 + $170,000 = $325,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $325,000 ÷ 50,000 machine-hours = $6.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 100 machine-hours = $650

Direct materials	$ 645
Direct labor	2,300
Manufacturing overhead applied	650
Total cost of Job A881	$ 3,595

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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62) Tomey Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	18,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 99,000	$ 70,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.70

During the current month the company started and finished Job T617. The following data were recorded for this job:

Job T617:	Forming	Finishing
Machine-hours	90	20
Direct labor-hours	30	60
Direct materials	$ 940	$ 350
Direct labor cost	$ 960	$ 1,920

The total job cost for Job T617 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,604
B) $2,584
C) $684
D) $3,020

Answer: A

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Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $99,000 + ($2.10 per machine-hour × 18,000 machine-hours)
= $99,000 + $37,800 = $136,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $136,800 ÷ 18,000 machine-hours = $7.60 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.60 per machine-hour × 90 machine-hours = $684

Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $70,400 + ($3.70 per direct labor-hour × 8,000 direct labor-hours)
= $70,400 + $29,600 = $100,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $100,000 ÷ 8,000 direct labor-hours = $12.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.50 per direct labor-hour × 60 direct labor-hours = $750

	Forming	Finishing	Total
Direct materials	$ 940	$ 350	$ 1,290
Direct labor	$ 960	$ 1,920	2,880
Manufacturing overhead applied	$ 684	$ 750	1,434
Total cost of Job T617			$ 5,604

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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63) Molash Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$ 9,400	$ 8,100	$ 17,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.40	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Direct materials	$ 14,400	$ 7,100
Direct labor cost	$ 23,500	$ 6,700
Machining machine-hours	1,400	600
Assembly machine-hours	1,200	1,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $40,320
B) $41,933
C) $13,440
D) $26,880

Answer: A

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Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 9,400	
Estimated variable manufacturing overhead ($1.80 per MH × 2,000 MHs)	3,600	
Estimated total manufacturing overhead cost (a)	$ 13,000	
Estimated total machine-hours (b)	2,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 6.50/MH	

Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 8,100	
Estimated variable manufacturing overhead ($2.40 per MH × 3,000 MHs)	7,200	
Estimated total manufacturing overhead cost (a)	$ 15,300	
Estimated total machine-hours (b)	3,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10/MH	

Manufacturing overhead applied to Job L:

Machining ($6.50 per MH × 600 MHs)	$ 3,900
Assembly ($5.10 per MH × 1,800 MHs)	9,180
Total manufacturing overhead applied	$ 13,080

The selling price for Job L would be calculated as follows:

Direct materials	$ 7,100
Direct labor cost	6,700
Manufacturing overhead applied	13,080
Total manufacturing cost	$ 26,880
Markup (50%)	13,440
Selling price	$ 40,320

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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64) Columbo Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 110,500	$ 78,300
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job A948. The following data were recorded for this job:

Job A948:	Forming	Finishing
Machine-hours	70	30
Direct labor-hours	10	50
Direct materials	$ 650	$ 330
Direct labor cost	$ 380	$ 1,900

If the company marks up its manufacturing costs by 40% then the selling price for Job A948 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,197.80
B) $1,770.80
C) $4,427.00
D) $6,818.00

Answer: A
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $110,500 + ($1.60 per machine-hour × 17,000 machine-hours)
= $110,500 + $27,200 = $137,700

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $137,700 ÷ 17,000 machine-hours = $8.10 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.10 per machine-hour × 70 machine-hours = $567

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Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $78,300 + ($3.30 per direct labor-hour × 9,000 direct labor-hours)
= $78,300 + $29,700 = $108,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $108,000 ÷ 9,000 direct labor-hours = $12.00 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.00 per direct labor-hour × 50 direct labor-hours = $600

	Forming	Finishing	Total
Direct materials	$ 650	$ 330	$ 980
Direct labor	$ 380	$ 1,900	2,280
Manufacturing overhead applied	$ 567	$ 600	1,167
Total cost of Job A948			$ 4,427

Total cost of Job A948	$ 4,427.00
Markup ($4,427.00 × 40%)	1,770.80
Selling price	$ 6,197.80

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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65) Lotz Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	2,000	8,000	10,000
Estimated total fixed manufacturing overhead cost	$ 10,200	$ 19,200	$ 29,400
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$ 14,400	$ 7,100
Direct labor cost	$ 22,500	$ 6,600
Casting machine-hours	1,400	600
Finishing machine-hours	3,200	4,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $30,220
B) $90,660
C) $60,440
D) $96,100

Answer: B
Explanation: Casting Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 10,200	
Estimated variable manufacturing overhead ($1.20 per MH × 2,000 MHs)	2,400	
Estimated total manufacturing overhead cost (a)	$ 12,600	
Estimated total machine-hours (b)	2,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 6.30/MH	

Finishing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 19,200	
Estimated variable manufacturing overhead ($2.20 per MH × 8,000 MHs)	17,600	
Estimated total manufacturing overhead cost (a)	$ 36,800	
Estimated total machine-hours (b)	8,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.60/MH	

Manufacturing overhead applied to Job F:

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Casting ($6.30 per MH × 1,400 MHs)	$ 8,820
Finishing ($4.60 per MH × 3,200 MHs)	14,720
Total manufacturing overhead applied	$ 23,540

The selling price for Job F would be calculated as follows:

Direct materials	$ 14,400
Direct labor cost	22,500
Manufacturing overhead applied	23,540
Total manufacturing cost	$ 60,440
Markup (50%)	30,220
Selling price	$ 90,660

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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66) Ashe Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 9,200	$ 13,900
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job K
Machining machine-hours	700	300
Customizing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job K is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,760
B) $1,740
C) $13,716
D) $13,500

Answer: D
Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,700
Estimated variable manufacturing overhead ($1.10 per MH × 1,000 MHs)	1,100
Estimated total manufacturing overhead cost (a)	$ 5,800
Estimated total machine-hours (b)	1,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.80/MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 9,200
Estimated variable manufacturing overhead ($2.60 per MH × 4,000 MHs)	10,400
Estimated total manufacturing overhead cost (a)	$ 19,600
Estimated total machine-hours (b)	4,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.90/MH

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Manufacturing overhead applied to Job K:

Machining ($5.80 per MH × 300 MHs)	$ 1,740
Customizing ($4.90 per MH × 2,400 MHs)	11,760
Total manufacturing overhead applied	$ 13,500

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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67) Boward Corporation has two production departments, Milling and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Assembly
Machine-hours	18,000	12,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 120,600	$ 76,300
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T818. The following data were recorded for this job:

Job T818:	Milling	Assembly
Machine-hours	50	30
Direct labor-hours	10	40

The total amount of overhead applied in both departments to Job T818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,651
B) $608
C) $435
D) $1,043

Answer: D

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Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $120,600 + ($2.00 per machine-hour × 18,000 machine-hours)
= $120,600 + $36,000 = $156,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $156,600 ÷ 18,000 machine-hours = $8.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.70 per machine-hour × 50 machine-hours = $435

Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $76,300 + ($4.30 per direct labor-hour × 7,000 direct labor-hours)
= $76,300 + $30,100 = $106,400

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $106,400 ÷ 7,000 direct labor-hours = $15.20 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $15.20 per direct labor-hour × 40 direct labor-hours = $608

Overhead applied to Job T818

Milling Department	$ 435
Assembly Department	608
Total	$ 1,043

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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68) Malakan Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	18,000	11,000
Direct labor-hours	2,000	9,000
Total fixed manufacturing overhead cost	$ 102,600	$ 96,300
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job K368. The following data were recorded for this job:

Job K368:	Machining	Finishing
Machine-hours	80	30
Direct labor-hours	20	40

The amount of overhead applied in the Machining Department to Job K368 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $856.00
B) $168.00
C) $624.00
D) $140,400.00

Answer: C

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,600 + ($2.10 per machine-hour × 18,000 machine-hours)
= $102,600 + $37,800 = $140,400

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $140,400 ÷ 18,000 machine-hours = $7.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.80 per machine-hour × 80 machine-hours = $624
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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69) Mahon Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	18,000	14,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 124,200	$ 68,600
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job T138. The following data were recorded for this job:

Job T138:	Casting	Customizing
Machine-hours	70	30
Direct labor-hours	10	60

The amount of overhead applied in the Customizing Department to Job T138 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $588.00
B) $95,200.00
C) $816.00
D) $228.00

Answer: C

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Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $68,600 + ($3.80 per direct labor-hour × 7,000 direct labor-hours)
= $68,600 + $26,600 = $95,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $95,200 ÷ 7,000 direct labor-hours = $13.60 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.60 per direct labor-hour × 60 direct labor-hours = $816
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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70) Marioni Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 37,100	$ 9,000	$ 46,100
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job H
Forming machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,720
B) $33,600
C) $40,320
D) $39,480

Answer: C
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 37,100	
Estimated variable manufacturing overhead ($1.70 per MH × 7,000 MHs)	11,900	
Estimated total manufacturing overhead cost (a)	$ 49,000	
Estimated total machine-hours (b)	7,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.00/MH	

Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 9,000	
Estimated variable manufacturing overhead ($2.60 per MH × 3,000 MHs)	7,800	
Estimated total manufacturing overhead cost (a)	$ 16,800	
Estimated total machine-hours (b)	3,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.60/MH	

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Manufacturing overhead applied to Job B:

Forming ($7.00 per MH × 4,800 MHs)	$ 33,600
Assembly ($5.60 per MH × 1,200 MHs)	6,720
Total manufacturing overhead applied	$ 40,320

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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71) Bassett Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	16,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 118,400	$ 87,200
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

The predetermined overhead rate for the Milling Department is closest to:
A) $19.00 per machine-hour
B) $2.10 per machine-hour
C) $9.50 per machine-hour
D) $7.40 per machine-hour

Answer: C
Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $118,400 + ($2.10 per machine-hour × 16,000 machine-hours)
= $118,400 + $33,600 = $152,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $152,000 ÷ 16,000 machine-hours = $9.50 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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72) Fatzinger Corporation has two production departments, Milling and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Assembly
Machine-hours	20,000	14,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 132,000	$ 57,400
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.40

The predetermined overhead rate for the Assembly Department is closest to:
A) $8.20 per direct labor-hour
B) $3.40 per direct labor-hour
C) $4.06 per direct labor-hour
D) $11.60 per direct labor-hour

Answer: D
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $57,400 + ($3.40 per direct labor-hour × 7,000 direct labor-hours)
= $57,400 + $23,800 = $81,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $81,200 ÷ 7,000 direct labor-hours = $11.60 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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73) Swango Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	19,000	11,000
Direct labor-hours	1,000	8,000
Total fixed manufacturing overhead cost	$ 138,700	$ 86,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $24,000
B) $110,400
C) $86,400
D) $60,379

Answer: B
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $86,400 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $86,400 + $24,000 = $110,400
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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74) Tarrant Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 5,700	$ 11,200	$ 16,900
Estimated variable manufacturing overhead cost per MH	$ 1.30	$ 2.90	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Casting Department is closest to:
A) $5.70
B) $1.30
C) $5.96
D) $7.00

Answer: D
Explanation: Casting Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 5,700	
Estimated variable manufacturing overhead ($1.30 per MH × 1,000 MHs)	1,300	
Estimated total manufacturing overhead cost (a)	$ 7,000	
Estimated total machine-hours (b)	1,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.00/MH	

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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75) Prayer Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	19,000	13,000
Direct labor-hours	1,000	8,000
Total fixed manufacturing overhead cost	$ 110,200	$ 68,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $148,200
B) $110,200
C) $38,000
D) $299,725

Answer: A
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $110,200 + ($2.00 per machine-hour × 19,000 machine-hours)
= $110,200 + $38,000 = $148,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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76) Camm Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 12,600	$ 4,600	$ 17,200
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.50
B) $2.30
C) $4.80
D) $5.46

Answer: C
Explanation: Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,600	
Estimated variable manufacturing overhead ($2.50 per MH × 2,000 MHs)	5,000	
Estimated total manufacturing overhead cost (a)	$ 9,600	
Estimated total machine-hours (b)	2,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.80/MH	

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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77) Huang Aerospace Corporation manufactures aviation control panels in two departments, Fabrication and Assembly. In the Fabrication department, Huang uses a predetermined overhead rate of $30 per machine-hour. In the Assembly department, Huang uses a predetermined overhead rate of $12 per direct labor-hour. During the current year, Job #X2984 incurred the following number of hours in each department:

	Fabrication	Assembly
Machine-hours	40	12
Direct labor-hours	3	25

What is the total amount of manufacturing overhead that Huang should have applied to Job #X2984 during the current year?
A) $1,200
B) $1,500
C) $1,560
D) $1,734

Answer: B
Explanation: Manufacturing overhead applied to Work in Process:

	Fabrication	Assembly	Total
Predetermined overhead rate (a)	$ 30/MH	$ 12/DLH	
Actual total amount of the allocation base (b)	40MHs	25DLHs	
Manufacturing overhead applied (a) × (b)	$ 1,200	$ 300	$ 1,500

Difficulty: 2 Medium
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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78) Sargent Corporation applies overhead cost to jobs on the basis of 80% of direct labor cost. If Job 210 shows $10,000 of manufacturing overhead cost applied, how much was the direct labor cost on the job?
A) $12,500
B) $11,000
C) $8,000
D) $10,000

Answer: A
Explanation: Manufacturing overhead applied = Predetermined overhead rate × Amount of the allocation base incurred

$10,000 = 0.80 × Direct labor cost

Direct labor cost = $10,000 ÷ 0.80 = $12,500
Difficulty: 2 Medium
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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79) Kreuzer Corporation is using a predetermined overhead rate of $22.30 per machine-hour that was based on estimated total fixed manufacturing overhead of $446,000 and 20,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $409,000 and 18,200 total machine-hours during the period. The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to:
A) $446,000
B) $37,000
C) $372,190
D) $405,860

Answer: D
Explanation:

Predetermined overhead rate (a)	$ 22.30
Actual activity level (b)	18,200
Manufacturing overhead applied (a) × (b)	$ 405,860

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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80) Kavin Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Predetermined overhead rate	$ 23.60	per machine-hour
Estimated total fixed manufacturing overhead from the beginning of the year	$ 708,000	
Estimated activity level from the beginning of the year	30,000	machine-hours
Actual total fixed manufacturing overhead	$ 752,000	
Actual activity level	28,100	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to:
A) $663,160
B) $708,000
C) $44,000
D) $704,373

Answer: A
Explanation:

Predetermined overhead rate	$ 23.60
Actual activity level	28,100
Manufacturing overhead applied	$ 663,160

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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81) Job 910 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 3,193	
Direct labor-hours	21	labor-hours
Direct labor wage rate	$ 12	per labor-hour
Machine-hours	166	machine-hours

The Corporation applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $15 per machine-hour. The total cost that would be recorded on the job cost sheet for Job 910 would be:
A) $3,220
B) $3,760
C) $5,935
D) $3,445

Answer: C
Explanation:

Direct materials	$ 3,193
Direct labor (21 direct labor-hours × $12.00 per direct labor-hour)	252
Overhead (166 machine-hours × $15.00 per machine-hour)	2,490
Total manufacturing cost for Job 910	$ 5,935

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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82) Grib Corporation uses a predetermined overhead rate based on direct labor cost to apply manufacturing overhead to jobs. The predetermined overhead rates for the year are 200% of direct labor cost for Department A and 50% of direct labor cost for Department B. Job 436, started and completed during the year, was charged with the following costs:

	Dept. A	Dept. B
Direct materials	$ 50,000	$ 10,000
Direct labor	?	$ 60,000
Manufacturing overhead	$ 80,000	?

The total manufacturing cost assigned to Job 436 was:
A) $360,000
B) $390,000
C) $270,000
D) $480,000

Answer: C
Explanation: Department A manufacturing overhead = Predetermined overhead rate × Amount of the allocation base incurred

$80,000 = 200% × Direct labor
Direct labor = $40,000

Department B manufacturing overhead = Predetermined overhead rate × Amount of the allocation base incurred

= 50% × $60,000 = $30,000

	Dept. A	Dept. B	Total
Direct materials	$ 50,000	$ 10,000	
Direct labor	40,000	60,000	
Manufacturing overhead	80,000	30,000	
Total product cost	$ 170,000	$ 100,000	$ 270,000

Difficulty: 3 Hard
Topic: Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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83) The following data have been recorded for recently completed Job 450 on its job cost sheet. Direct materials cost was $3,044. A total of 46 direct labor-hours and 104 machine-hours were worked on the job. The direct labor wage rate is $15 per labor-hour. The Corporation applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $13 per machine-hour. The total cost for the job on its job cost sheet would be:
A) $4,332
B) $3,734
C) $3,072
D) $5,086

Answer: D
Explanation:

Direct materials	$ 3,044
Direct labor (46 direct labor-hours × $15.00 per direct labor-hour)	690
Overhead (104 machine-hours × $13.00 per machine-hour)	1,352
Total manufacturing cost for Job 450	$ 5,086

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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84) Dejarnette Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 416,000
Variable manufacturing overhead per machine-hour	$ 3.10

The estimated total manufacturing overhead is closest to:
A) $416,003
B) $248,000
C) $664,000
D) $416,000

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $416,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $416,000 + $248,000 = $664,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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85) Dejarnette Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 416,000
Variable manufacturing overhead per machine-hour	$ 3.10

The predetermined overhead rate is closest to:
A) $8.30 per machine-hour
B) $11.40 per machine-hour
C) $5.20 per machine-hour
D) $3.10 per machine-hour

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $416,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $416,000 + $248,000 = $664,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $664,000 ÷ 80,000 machine-hours = $8.30 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

86) Odonnel Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $36,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 10,000 direct labor-hours.

The estimated total manufacturing overhead is closest to:
A) $64,000
B) $36,000
C) $28,000
D) $36,003

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $36,000 + ($2.80 per direct labor-hour × 10,000 direct labor-hours) = $36,000 + $28,000 = $64,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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87) Odonnel Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $36,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 10,000 direct labor-hours.

The predetermined overhead rate is closest to:
A) $2.80 per direct labor-hour
B) $6.40 per direct labor-hour
C) $3.60 per direct labor-hour
D) $9.20 per direct labor-hour

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $36,000 + ($2.80 per direct labor-hour × 10,000 direct labor-hours) = $36,000 + $28,000 = $64,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $64,000 ÷ 10,000 direct labor-hours = $6.40 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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88) Morataya Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $4.00
B) $7.50
C) $4.58
D) $6.54

Answer: D

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Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 39,200
Estimated variable manufacturing overhead ($1.90 per MH × 7,000 MHs)	13,300
Estimated total manufacturing overhead cost	$ 52,500

Assembly

Estimated fixed manufacturing overhead	$ 6,600
Estimated variable manufacturing overhead ($2.10 per MH × 3,000 MHs)	6,300
Estimated total manufacturing overhead cost	$ 12,900

The second step is to combine the estimated manufacturing overhead costs in the two departments ($52,500 + $12,900 = $65,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 65,400
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 6.54per MH

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

89) Morataya Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $31,392
B) $27,480
C) $39,240
D) $7,848

Answer: C

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Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 39,200
Estimated variable manufacturing overhead ($1.90 per MH × 7,000 MHs)	13,300
Estimated total manufacturing overhead cost	$ 52,500

Assembly

Estimated fixed manufacturing overhead	$ 6,600
Estimated variable manufacturing overhead ($2.10 per MH × 3,000 MHs)	6,300
Estimated total manufacturing overhead cost	$ 12,900

The second step is to combine the estimated manufacturing overhead costs in the two departments ($52,500 + $12,900 = $65,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 65,400
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 6.54per MH

The overhead applied to Job B is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $6.54 per MH × (4,800 MHs + 1,200 MHs)
= $6.54 per MH × (6,000 MHs)
= $39,240
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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90) Morataya Corporation has two manufacturing departments—Machining and Assembly. The

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company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job G is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $14,388
B) $26,160
C) $11,772
D) $18,320

Answer: B

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Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 39,200
Estimated variable manufacturing overhead ($1.90 per MH × 7,000 MHs)	13,300
Estimated total manufacturing overhead cost	$ 52,500

Assembly

Estimated fixed manufacturing overhead	$ 6,600
Estimated variable manufacturing overhead ($2.10 per MH × 3,000 MHs)	6,300
Estimated total manufacturing overhead cost	$ 12,900

The second step is to combine the estimated manufacturing overhead costs in the two departments ($52,500 + $12,900 = $65,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 65,400	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 6.54	per MH

The overhead applied to Job G is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $6.54 per MH × (2,200 MHs + 1,800 MHs)
= $6.54 per MH × (4,000 MHs)
= $26,160
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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91) Housholder Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 310,000
Estimated activity level from the beginning of the year	20,000machine-hours
Actual total fixed manufacturing overhead	$ 338,000
Actual activity level	18,300machine-hours

The predetermined overhead rate is closest to:
A) $18.47
B) $16.94
C) $16.90
D) $15.50

Answer: D
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 310,000
Estimated activity level (b)	20,000
Predetermined overhead rate (a) ÷ (b)	$ 15.50

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

92) Housholder Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 310,000	
Estimated activity level from the beginning of the year	20,000	machine-hours
Actual total fixed manufacturing overhead	$ 338,000	
Actual activity level	18,300	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,000
B) $309,270
C) $310,000
D) $283,650

Answer: D
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 310,000
Estimated activity level (b)	20,000
Predetermined overhead rate (a) ÷ (b)	$ 15.50
Actual activity level	18,300
Manufacturing overhead applied	$ 283,650

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

93) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The estimated total manufacturing overhead is closest to:
A) $90,000
B) $275,000
C) $185,000
D) $90,004

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $90,000 + ($3.70 per direct labor-hour × 50,000 direct labor-hours) = $90,000 + $185,000 = $275,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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94) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The predetermined overhead rate is closest to:
A) $1.80 per direct labor-hour
B) $5.50 per direct labor-hour
C) $9.20 per direct labor-hour
D) $3.70 per direct labor-hour

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $90,000 + ($3.70 per direct labor-hour × 50,000 direct labor-hours) = $90,000 + $185,000 = $275,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $275,000 ÷ 50,000 direct labor-hours = $5.50 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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95) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The amount of overhead applied to Job M800 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $270
B) $1,380
C) $825
D) $555

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $90,000 + ($3.70 per direct labor-hour × 50,000 direct labor-hours) = $90,000 + $185,000 = $275,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $275,000 ÷ 50,000 direct labor-hours = $5.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.50 per direct labor-hour × 150 direct labor-hours = $825
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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96) Krier Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $738,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $792,000 and 31,500 total direct labor-hours during the period.

The predetermined overhead rate is closest to:
A) $26.40
B) $25.14
C) $23.43
D) $24.60

Answer: D
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 738,000
Estimated activity level (b)	30,000
Predetermined overhead rate (a) ÷ (b)	$ 24.60

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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97) Krier Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $738,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $792,000 and 31,500 total direct labor-hours during the period.

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $831,600
B) $54,000
C) $774,900
D) $738,000

Answer: C
Explanation:

Estimated total fixed manufacturing overhead (a)	$ 738,000
Estimated activity level (b)	30,000
Predetermined overhead rate (a) ÷ (b)	$ 24.60
Actual activity level	31,500
Manufacturing overhead applied	$ 774,900

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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98) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The estimated total manufacturing overhead is closest to:
A) $168,000
B) $312,002
C) $312,000
D) $480,000

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $312,000 + ($2.10 per machine-hour × 80,000 machine-hours) = $312,000 + $168,000 = $480,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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99) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The predetermined overhead rate is closest to:
A) $8.10 per machine-hour
B) $2.10 per machine-hour
C) $3.90 per machine-hour
D) $6.00 per machine-hour

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $312,000 + ($2.10 per machine-hour × 80,000 machine-hours) = $312,000 + $168,000 = $480,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $480,000 ÷ 80,000 machine-hours = $6.00 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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100) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The amount of overhead applied to Job T629 is closest to:
A) $1,620
B) $780
C) $1,200
D) $420

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $312,000 + ($2.10 per machine-hour × 80,000 machine-hours) = $312,000 + $168,000 = $480,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $480,000 ÷ 80,000 machine-hours = $6.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.00 per machine-hour × 200 machine-hours = $1,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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101) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The estimated total manufacturing overhead is closest to:
A) $120,000
B) $96,003
C) $96,000
D) $216,000

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.00 per direct labor-hour × 40,000 direct labor-hours) = $96,000 + $120,000 = $216,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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102) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The predetermined overhead rate is closest to:
A) $2.40 per direct labor-hour
B) $3.00 per direct labor-hour
C) $8.40 per direct labor-hour
D) $5.40 per direct labor-hour

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.00 per direct labor-hour × 40,000 direct labor-hours) = $96,000 + $120,000 = $216,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $216,000 ÷ 40,000 direct labor-hours = $5.40 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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103) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The amount of overhead applied to Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $840
B) $300
C) $540
D) $240

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.00 per direct labor-hour × 40,000 direct labor-hours) = $96,000 + $120,000 = $216,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $216,000 ÷ 40,000 direct labor-hours = $5.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.40 per direct labor-hour × 100 direct labor-hours = $540
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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104) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The total job cost for Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,540
B) $4,755
C) $1,295
D) $5,295

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.00 per direct labor-hour × 40,000 direct labor-hours) = $96,000 + $120,000 = $216,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $216,000 ÷ 40,000 direct labor-hours = $5.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.40 per direct labor-hour × 100 direct labor-hours = $540

Direct materials	$ 755
Direct labor	4,000
Manufacturing overhead applied	540
Total cost of Job P951	$ 5,295

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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105) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The unit product cost for Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $237.75
B) $264.75
C) $64.75
D) $52.95

Answer: B

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.00 per direct labor-hour × 40,000 direct labor-hours) = $96,000 + $120,000 = $216,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $216,000 ÷ 40,000 direct labor-hours = $5.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.40 per direct labor-hour × 100 direct labor-hours = $540

Direct materials	$ 755
Direct labor	4,000
Manufacturing overhead applied	540
Total cost of Job P951	$ 5,295

Total cost of Job P951 (a)	$ 5,295
Number of units (b)	20
Unit product cost (a) ÷ (b)	$ 264.75

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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106) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The estimated total manufacturing overhead is closest to:
A) $272,000
B) $160,000
C) $432,000
D) $160,003

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $160,000 + ($3.40 per direct labor-hour × 80,000 direct labor-hours) = $160,000 + $272,000 = $432,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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107) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The predetermined overhead rate is closest to:
A) $8.80 per direct labor-hour
B) $2.00 per direct labor-hour
C) $3.40 per direct labor-hour
D) $5.40 per direct labor-hour

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $160,000 + ($3.40 per direct labor-hour × 80,000 direct labor-hours) = $160,000 + $272,000 = $432,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $432,000 ÷ 80,000 direct labor-hours = $5.40 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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108) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The amount of overhead applied to Job A578 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $500
B) $1,350
C) $2,200
D) $850

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $160,000 + ($3.40 per direct labor-hour × 80,000 direct labor-hours) = $160,000 + $272,000 = $432,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $432,000 ÷ 80,000 direct labor-hours = $5.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.40 per direct labor-hour × 250 direct labor-hours = $1,350
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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109) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The total job cost for Job A578 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,065
B) $10,350
C) $2,065
D) $9,715

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $160,000 + ($3.40 per direct labor-hour × 80,000 direct labor-hours) = $160,000 + $272,000 = $432,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $432,000 ÷ 80,000 direct labor-hours = $5.40 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.40 per direct labor-hour × 250 direct labor-hours = $1,350

Direct materials	$ 715
Direct labor	9,000
Manufacturing overhead applied	1,350
Total cost of Job A578	$ 11,065

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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110) Spang Corporation uses a job-order costing system with a single plantwide predetermined

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overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	20,000
Total fixed manufacturing overhead cost	$ 176,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job P505 was completed with the following characteristics:

Total machine-hours	200
Direct materials	$ 540
Direct labor cost	$ 7,200

The amount of overhead applied to Job P505 is closest to:
A) $2,200
B) $1,760
C) $2,640
D) $440

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $176,000 + ($2.20 per machine-hour × 20,000 machine-hours) = $176,000 + $44,000 = $220,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $220,000 ÷ 20,000 machine-hours = $11.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.00 per machine-hour × 200 machine-hours = $2,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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111) Spang Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	20,000
Total fixed manufacturing overhead cost	$ 176,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job P505 was completed with the following characteristics:

Total machine-hours	200
Direct materials	$ 540
Direct labor cost	$ 7,200

The total job cost for Job P505 is closest to:
A) $9,400
B) $9,940
C) $7,740
D) $2,740

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $176,000 + ($2.20 per machine-hour × 20,000 machine-hours) = $176,000 + $44,000 = $220,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $220,000 ÷ 20,000 machine-hours = $11.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.00 per machine-hour × 200 machine-hours = $2,200

Direct materials	$ 540
Direct labor	7,200
Manufacturing overhead applied	2,200
Total cost of Job P505	$ 9,940

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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112) Opunui Corporation has two manufacturing departments—Molding and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$ 19,600	$ 2,400	$ 22,000
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.10	

During the most recent month, the company started and completed two jobs—Job A and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job M
Direct materials	$ 13,600	$ 7,500
Direct labor cost	$ 20,700	$ 7,400
Molding machine-hours	2,700	1,300
Finishing machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $10,830
B) $7,400
C) $25,730
D) $7,500

Answer: C
Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Molding

Estimated fixed manufacturing overhead	$ 19,600
Estimated variable manufacturing overhead ($1.10 per MH × 4,000 MHs)	4,400
Estimated total manufacturing overhead cost	$ 24,000

Finishing

Estimated fixed manufacturing overhead	$ 2,400
Estimated variable manufacturing overhead ($2.10 per MH × 1,000 MHs)	2,100
Estimated total manufacturing overhead cost	$ 4,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($24,000 + $4,500 = $28,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 28,500
Estimated total machine hours	5,000MHs
Predetermined overhead rate	$ 5.70per MH

The overhead applied to Job M is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.70 per MH × (1,300 MHs + 600 MHs)
= $5.70 per MH × (1,900 MHs)
= $10,830

Job M's manufacturing cost:

Direct materials	$ 7,500
Direct labor cost	7,400
Manufacturing overhead applied	10,830
Total manufacturing cost	$ 25,730

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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113) Opunui Corporation has two manufacturing departments—Molding and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$ 19,600	$ 2,400	$ 22,000
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.10	

During the most recent month, the company started and completed two jobs—Job A and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job M
Direct materials	$ 13,600	$ 7,500
Direct labor cost	$ 20,700	$ 7,400
Molding machine-hours	2,700	1,300
Finishing machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $51,970
B) $72,758
C) $80,034
D) $20,788

Answer: B
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Molding

Estimated fixed manufacturing overhead	$ 19,600
Estimated variable manufacturing overhead ($1.10 per MH × 4,000 MHs)	4,400
Estimated total manufacturing overhead cost	$ 24,000

Finishing

Estimated fixed manufacturing overhead	$ 2,400
Estimated variable manufacturing overhead ($2.10 per MH × 1,000 MHs)	2,100
Estimated total manufacturing overhead cost	$ 4,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($24,000 + $4,500 = $28,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 28,500
Estimated total machine hours	5,000MHs
Predetermined overhead rate	$ 5.70per MH

The overhead applied to Job A is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.70 per MH × (2,700 MHs + 400 MHs)
= $5.70 per MH × (3,100 MHs)
= $17,670

Job A's manufacturing cost:

Direct materials	$ 13,600
Direct labor cost	20,700
Manufacturing overhead applied	17,670
Total manufacturing cost	$ 51,970

The selling price for Job A:

Total manufacturing cost	$ 51,970
Markup (40%)	20,788
Selling price	$ 72,758

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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114) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The estimated total manufacturing overhead is closest to:
A) $665,000
B) $497,002
C) $497,000
D) $168,000

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $497,000 + ($2.40 per direct labor-hour × 70,000 direct labor-hours) = $497,000 + $168,000 = $665,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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115) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The predetermined overhead rate is closest to:
A) $11.90 per direct labor-hour
B) $7.10 per direct labor-hour
C) $9.50 per direct labor-hour
D) $2.40 per direct labor-hour

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $497,000 + ($2.40 per direct labor-hour × 70,000 direct labor-hours) = $497,000 + $168,000 = $665,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $665,000 ÷ 70,000 direct labor-hours = $9.50 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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116) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The amount of overhead applied to Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $568
B) $192
C) $760
D) $952

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $497,000 + ($2.40 per direct labor-hour × 70,000 direct labor-hours) = $497,000 + $168,000 = $665,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $665,000 ÷ 70,000 direct labor-hours = $9.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per direct labor-hour × 80 direct labor-hours = $760
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

117) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The total job cost for Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,430
B) $3,670
C) $1,710
D) $3,480

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $497,000 + ($2.40 per direct labor-hour × 70,000 direct labor-hours) = $497,000 + $168,000 = $665,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $665,000 ÷ 70,000 direct labor-hours = $9.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per direct labor-hour × 80 direct labor-hours = $760

Direct materials	$ 950
Direct labor	2,720
Manufacturing overhead applied	760
Total cost of Job T498	$ 4,430

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

118) Lueckenhoff Corporation uses a job-order costing system with a single plantwide

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predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The unit product cost for Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $55.38
B) $42.75
C) $91.75
D) $110.75

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $497,000 + ($2.40 per direct labor-hour × 70,000 direct labor-hours) = $497,000 + $168,000 = $665,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $665,000 ÷ 70,000 direct labor-hours = $9.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per direct labor-hour × 80 direct labor-hours = $760

Direct materials	$ 950
Direct labor	2,720
Manufacturing overhead applied	760
Total cost of Job T498	$ 4,430

Total cost of Job T498 (a)	$ 4,430
Number of units (b)	40
Unit product cost (a) ÷ (b)	$ 110.75

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs

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Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

119) Nielsen Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 10,800	$ 15,500
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 13,000	$ 7,400
Direct labor cost	$ 20,400	$ 8,800
Machining machine-hours	700	300
Assembly machine-hours	1,600	2,400

Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $13,000
B) $20,400
C) $45,130
D) $11,730

Answer: C
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 4,700
Estimated variable manufacturing overhead ($1.20 per MH × 1,000 MHs)	1,200
Estimated total manufacturing overhead cost	$ 5,900

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Assembly

Estimated fixed manufacturing overhead	$ 10,800
Estimated variable manufacturing overhead ($2.20 per MH × 4,000 MHs)	8,800
Estimated total manufacturing overhead cost	$ 19,600

The second step is to combine the estimated manufacturing overhead costs in the two departments ($5,900 + $19,600 = $25,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 25,500	
Estimated total machine hours	5,000	MHs
Predetermined overhead rate	$ 5.10	per MH

The overhead applied to Job F is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.10 per MH × (700 MHs + 1,600 MHs)
= $5.10 per MH × (2,300 MHs)
= $11,730

Job F's manufacturing cost:

Direct materials	$ 13,000
Direct labor cost	20,400
Manufacturing overhead applied	11,730
Total manufacturing cost	$ 45,130

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

120) Nielsen Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 10,800	$ 15,500
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 13,000	$ 7,400
Direct labor cost	$ 20,400	$ 8,800
Machining machine-hours	700	300
Assembly machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $46,154
B) $41,958
C) $29,970
D) $11,988

Answer: B
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 4,700
Estimated variable manufacturing overhead ($1.20 per MH × 1,000 MHs)	1,200
Estimated total manufacturing overhead cost	$ 5,900

Assembly

Estimated fixed manufacturing overhead	$ 10,800
Estimated variable manufacturing overhead ($2.20 per MH × 4,000 MHs)	8,800
Estimated total manufacturing overhead cost	$ 19,600

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($5,900 + $19,600 = $25,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 25,500	
Estimated total machine hours	5,000	MHs
Predetermined overhead rate	$ 5.10	per MH

The overhead applied to Job M is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.10 per MH × (300 MHs + 2,400 MHs)
= $5.10 per MH × (2,700 MHs)
= $13,770

Job M's manufacturing cost:

Direct materials	$ 7,400
Direct labor cost	8,800
Manufacturing overhead applied	13,770
Total manufacturing cost	$ 29,970

The selling price for Job M:

Total manufacturing cost	$ 29,970
Markup (40%)	11,988
Selling price	$ 41,958

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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121) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The amount of overhead applied to Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $812
B) $350
C) $462
D) $1,162

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $33,000 + ($2.50 per direct labor-hour × 10,000 direct labor-hours) = $33,000 + $25,000 = $58,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $58,000 ÷ 10,000 direct labor-hours = $5.80 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.80 per direct labor-hour × 140 direct labor-hours = $812
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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122) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The total job cost for Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,775
B) $6,132
C) $6,587
D) $1,267

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $33,000 + ($2.50 per direct labor-hour × 10,000 direct labor-hours) = $33,000 + $25,000 = $58,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $58,000 ÷ 10,000 direct labor-hours = $5.80 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.80 per direct labor-hour × 140 direct labor-hours = $812

Direct materials	$ 455
Direct labor	5,320
Manufacturing overhead applied	812
Total cost of Job K332	$ 6,587

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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AACSB: Analytical Thinking
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123) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The unit product cost for Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $94.10
B) $18.10
C) $82.50
D) $47.05

Answer: A

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $33,000 + ($2.50 per direct labor-hour × 10,000 direct labor-hours) = $33,000 + $25,000 = $58,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $58,000 ÷ 10,000 direct labor-hours = $5.80 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.80 per direct labor-hour × 140 direct labor-hours = $812

Direct materials	$ 455
Direct labor	5,320
Manufacturing overhead applied	812
Total cost of Job K332	$ 6,587

Total cost of Job K332 (a)	$6,587
Number of units (b)	70
Unit product cost (a) ÷ (b)	$94.10

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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124) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The estimated total manufacturing overhead is closest to:
A) $330,000
B) $162,000
C) $168,000
D) $162,003

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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125) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The predetermined overhead rate is closest to:
A) $5.50 per direct labor-hour
B) $8.30 per direct labor-hour
C) $2.80 per direct labor-hour
D) $2.70 per direct labor-hour

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $330,000 ÷ 60,000 direct labor-hours = $5.50 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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126) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The amount of overhead applied to Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $135
B) $140
C) $415
D) $275

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $330,000 ÷ 60,000 direct labor-hours = $5.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.50 per direct labor-hour × 50 direct labor-hours = $275
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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127) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The total job cost for Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,675
B) $2,595
C) $1,195
D) $2,320

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $330,000 ÷ 60,000 direct labor-hours = $5.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.50 per direct labor-hour × 50 direct labor-hours = $275

Direct materials	$ 920
Direct labor	1,400
Manufacturing overhead applied	275
Total cost of Job K818	$ 2,595

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

128) Beans Corporation uses a job-order costing system with a single plantwide predetermined

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overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The unit product cost for Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $51.90
B) $259.50
C) $232.00
D) $119.50

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $330,000 ÷ 60,000 direct labor-hours = $5.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.50 per direct labor-hour × 50 direct labor-hours = $275

Direct materials	$ 920
Direct labor	1,400
Manufacturing overhead applied	275
Total cost of Job K818	$ 2,595

Total cost of Job K818 (a)	$2,595
Number of units (b)	10
Unit product cost (a) ÷ (b)	$259.50

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking

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AICPA: BB Critical Thinking; FN Measurement

129) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

If the company marks up its unit product costs by 40% then the selling price for a unit in Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $363.30
B) $103.80
C) $383.30
D) $324.80

Answer: A

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $162,000 + ($2.80 per direct labor-hour × 60,000 direct labor-hours) = $162,000 + $168,000 = $330,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $330,000 ÷ 60,000 direct labor-hours = $5.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $5.50 per direct labor-hour × 50 direct labor-hours = $275

Direct materials	$ 920
Direct labor	1,400
Manufacturing overhead applied	275
Total cost of Job K818	$ 2,595

Total cost of Job K818 (a)	$2,595
Number of units (b)	10
Unit product cost (a) ÷ (b)	$259.50

Unit product cost for Job K818	$ 259.50
Markup (40% × $259.50)	103.80
Selling price	$ 363.30

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

130) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The estimated total manufacturing overhead is closest to:
A) $315,000
B) $252,000
C) $252,002
D) $63,000

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

131) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The predetermined overhead rate is closest to:
A) $12.60 per machine-hour
B) $10.50 per machine-hour
C) $8.40 per machine-hour
D) $2.10 per machine-hour

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 30,000 machine-hours = $10.50 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

132) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The amount of overhead applied to Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $315
B) $252
C) $378
D) $63

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 30,000 machine-hours = $10.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.50 per machine-hour × 30 machine-hours = $315
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

133) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The total job cost for Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,365
B) $1,725
C) $990
D) $2,040

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 30,000 machine-hours = $10.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.50 per machine-hour × 30 machine-hours = $315

Direct materials	$ 675
Direct labor	1,050
Manufacturing overhead applied	315
Total cost of Job T687	$ 2,040

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

AACSB: Analytical Thinking
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134) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The unit product cost for Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $99.00
B) $68.00
C) $172.50
D) $204.00

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 30,000 machine-hours = $10.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.50 per machine-hour × 30 machine-hours = $315

Direct materials	$ 675
Direct labor	1,050
Manufacturing overhead applied	315
Total cost of Job T687	$ 2,040

Total cost of Job T687 (a)	$2,040
Number of units (b)	10
Unit product cost (a) ÷ (b)	$204.00

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Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

135) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

If the company marks up its unit product costs by 40% then the selling price for a unit in Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $81.60
B) $305.60
C) $285.60
D) $241.50

Answer: C

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.10 per machine-hour × 30,000 machine-hours) = $252,000 + $63,000 = $315,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $315,000 ÷ 30,000 machine-hours = $10.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.50 per machine-hour × 30 machine-hours = $315

Direct materials	$ 675
Direct labor	1,050
Manufacturing overhead applied	315
Total cost of Job T687	$ 2,040

Total cost of Job T687 (a)	$2,040
Number of units (b)	10
Unit product cost (a) ÷ (b)	$204.00

Unit product cost for Job T687	$ 204.00
Markup (40% × $204.00)	81.60
Selling price	$ 285.60

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

136) Ronson Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,500	$ 10,500	$ 38,000
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job C and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job G
Direct materials	$ 10,600	$ 6,800
Direct labor cost	$ 23,700	$ 7,900
Casting machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $32,130
B) $11,900
C) $20,230
D) $20,520

Answer: A
Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Casting

Estimated fixed manufacturing overhead	$ 27,500
Estimated variable manufacturing overhead ($1.70 per MH × 5,000 MHs)	8,500
Estimated total manufacturing overhead cost	$ 36,000

Customizing

Estimated fixed manufacturing overhead	$ 10,500
Estimated variable manufacturing overhead ($2.60 per MH × 5,000 MHs)	13,000
Estimated total manufacturing overhead cost	$ 23,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($36,000 + $23,500 = $59,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 59,500	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 5.95	per MH

The overhead applied to Job C is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.95 per MH × (3,400 MHs + 2,000 MHs)
= $5.95 per MH × (5,400 MHs)
= $32,130
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

137) Ronson Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,500	$ 10,500	$ 38,000
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job C and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job G
Direct materials	$ 10,600	$ 6,800
Direct labor cost	$ 23,700	$ 7,900
Casting machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job G is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $42,070
B) $27,370
C) $6,800
D) $7,900

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Casting

Estimated fixed manufacturing overhead	$ 27,500
Estimated variable manufacturing overhead ($1.70 per MH × 5,000 MHs)	8,500
Estimated total manufacturing overhead cost	$ 36,000

Customizing

Estimated fixed manufacturing overhead	$ 10,500
Estimated variable manufacturing overhead ($2.60 per MH × 5,000 MHs)	13,000
Estimated total manufacturing overhead cost	$ 23,500

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($36,000 + $23,500 = $59,500) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 59,500
Estimated total machine hours	10,000MHs
Predetermined overhead rate	$ 5.95per MH

The overhead applied to Job G is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.95 per MH × (1,600 MHs + 3,000 MHs)
= $5.95 per MH × (4,600 MHs)
= $27,370

Job G's manufacturing cost:

Direct materials	$ 6,800
Direct labor cost	7,900
Manufacturing overhead applied	27,370
Total manufacturing cost	$ 42,070

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

138) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The amount of overhead applied to Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $930
B) $4,200
C) $2,340
D) $3,270

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $624,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $624,000 + $248,000 = $872,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $872,000 ÷ 80,000 machine-hours = $10.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.90 per machine-hour × 300 machine-hours = $3,270
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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139) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The total job cost for Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $12,270
B) $9,645
C) $3,915
D) $12,915

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $624,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $624,000 + $248,000 = $872,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $872,000 ÷ 80,000 machine-hours = $10.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.90 per machine-hour × 300 machine-hours = $3,270

Direct materials	$ 645
Direct labor	9,000
Manufacturing overhead applied	3,270
Total cost of Job M598	$ 12,915

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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AACSB: Analytical Thinking
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140) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The unit product cost for Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $65.25
B) $160.75
C) $215.25
D) $43.05

Answer: C

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $624,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $624,000 + $248,000 = $872,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $872,000 ÷ 80,000 machine-hours = $10.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.90 per machine-hour × 300 machine-hours = $3,270

Direct materials	$ 645
Direct labor	9,000
Manufacturing overhead applied	3,270
Total cost of Job M598	$ 12,915

Total cost of Job M598 (a)	$ 12,915
Number of units (b)	60
Unit product cost (a) ÷ (b)	$ 215.25

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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141) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

If the company marks up its unit product costs by 40% then the selling price for a unit in Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $321.35
B) $225.05
C) $86.10
D) $301.35

Answer: D

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $624,000 + ($3.10 per machine-hour × 80,000 machine-hours) = $624,000 + $248,000 = $872,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $872,000 ÷ 80,000 machine-hours = $10.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.90 per machine-hour × 300 machine-hours = $3,270

Direct materials	$ 645
Direct labor	9,000
Manufacturing overhead applied	3,270
Total cost of Job M598	$ 12,915

Total cost of Job M598 (a)	$12,915
Number of units (b)	60
Unit product cost (a) ÷ (b)	$215.25

Unit product cost for Job M598	$ 215.25
Markup (40% × $215.25)	86.10
Selling price	$ 301.35

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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142) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The predetermined overhead rate is closest to:
A) $2.90 per machine-hour
B) $2.00 per machine-hour
C) $4.90 per machine-hour
D) $6.90 per machine-hour

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $58,000 + ($2.00 per machine-hour × 20,000 machine-hours) = $58,000 + $40,000 = $98,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $98,000 ÷ 20,000 machine-hours = $4.90 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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143) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The amount of overhead applied to Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $232
B) $160
C) $392
D) $552

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $58,000 + ($2.00 per machine-hour × 20,000 machine-hours) = $58,000 + $40,000 = $98,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $98,000 ÷ 20,000 machine-hours = $4.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.90 per machine-hour × 80 machine-hours = $392
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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144) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The total job cost for Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,140
B) $892
C) $3,532
D) $3,032

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $58,000 + ($2.00 per machine-hour × 20,000 machine-hours) = $58,000 + $40,000 = $98,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $98,000 ÷ 20,000 machine-hours = $4.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.90 per machine-hour × 80 machine-hours = $392

Direct materials	$ 500
Direct labor	2,640
Manufacturing overhead applied	392
Total cost of Job P978	$ 3,532

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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145) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The unit product cost for Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $176.60
B) $157.00
C) $44.60
D) $44.15

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $58,000 + ($2.00 per machine-hour × 20,000 machine-hours) = $58,000 + $40,000 = $98,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $98,000 ÷ 20,000 machine-hours = $4.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.90 per machine-hour × 80 machine-hours = $392

Direct materials	$ 500
Direct labor	2,640
Manufacturing overhead applied	392
Total cost of Job P978	$ 3,532

Total cost of Job P978 (a)	$3,532
Number of units (b)	20
Unit product cost (a) ÷ (b)	$176.60

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

146) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

If the company marks up its unit product costs by 30% then the selling price for a unit in Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $249.58
B) $229.58
C) $204.10
D) $52.98

Answer: B

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $58,000 + ($2.00 per machine-hour × 20,000 machine-hours) = $58,000 + $40,000 = $98,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $98,000 ÷ 20,000 machine-hours = $4.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.90 per machine-hour × 80 machine-hours = $392

Direct materials	$ 500
Direct labor	2,640
Manufacturing overhead applied	392
Total cost of Job P978	$ 3,532

Total cost of Job P978 (a)	$3,532
Number of units (b)	20
Unit product cost (a) ÷ (b)	$176.60

Unit product cost for Job P978	$ 176.60
Markup (30% × $176.60)	52.98
Selling price	$ 229.58

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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147) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The predetermined overhead rate is closest to:
A) $8.80 per machine-hour
B) $6.50 per machine-hour
C) $2.30 per machine-hour
D) $4.20 per machine-hour

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $294,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $294,000 + $161,000 = $455,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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148) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The amount of overhead applied to Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $184
B) $520
C) $704
D) $336

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $294,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $294,000 + $161,000 = $455,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 80 machine-hours = $520
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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149) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The total job cost for Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,360
B) $2,505
C) $1,185
D) $3,025

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $294,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $294,000 + $161,000 = $455,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 80 machine-hours = $520

Direct materials	$ 655
Direct labor	1,840
Manufacturing overhead applied	520
Total cost of Job M825	$ 3,025

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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150) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The unit product cost for Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $37.81
B) $59.25
C) $151.25
D) $125.25

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $294,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $294,000 + $161,000 = $455,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 80 machine-hours = $520

Direct materials	$ 665
Direct labor	1,840
Manufacturing overhead applied	520
Total cost of Job M825	$ 3,025

Total cost of Job M825 (a)	$3,025
Number of units (b)	20
Unit product cost (a) ÷ (b)	$151.25

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Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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151) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

If the company marks up its unit product costs by 40% then the selling price for a unit in Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $60.50
B) $175.35
C) $211.75
D) $231.75

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $294,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $294,000 + $161,000 = $455,000
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 80 machine-hours = $520

Direct materials	$ 665
Direct labor	1,840
Manufacturing overhead applied	520
Total cost of Job M825	$ 3,025

Total cost of Job M825 (a)	$3,025
Number of units (b)	20
Unit product cost (a) ÷ (b)	$151.25

Unit product cost for Job M825	$ 151.25
Markup (40% × $151.25)	60.50
Selling price	$ 211.75

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Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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152) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The amount of overhead applied to Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $176
B) $792
C) $968
D) $616

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $462,000 + ($2.20 per machine-hour × 60,000 machine-hours) = $462,000 + $132,000 = $594,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $594,000 ÷ 60,000 machine-hours = $9.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.90 per machine-hour × 80 machine-hours = $792
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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153) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The total job cost for Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,972
B) $1,732
C) $3,180
D) $3,032

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $462,000 + ($2.20 per machine-hour × 60,000 machine-hours) = $462,000 + $132,000 = $594,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $594,000 ÷ 60,000 machine-hours = $9.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.90 per machine-hour × 80 machine-hours = $792

Direct materials	$ 940
Direct labor	2,240
Manufacturing overhead applied	792
Total cost of Job X455	$ 3,972

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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154) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The unit product cost for Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $86.60
B) $159.00
C) $198.60
D) $49.65

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $462,000 + ($2.20 per machine-hour × 60,000 machine-hours) = $462,000 + $132,000 = $594,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $594,000 ÷ 60,000 machine-hours = $9.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.90 per machine-hour × 80 machine-hours = $792

Direct materials	$ 940
Direct labor	2,240
Manufacturing overhead applied	792
Total cost of Job X455	$ 3,972

Total cost of Job X455 (a)	$3,972
Number of units (b)	20
Unit product cost (a) ÷ (b)	$198.60

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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155) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

If the company marks up its unit product costs by 20% then the selling price for a unit in Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $258.32
B) $190.80
C) $39.72
D) $238.32

Answer: D

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Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $462,000 + ($2.20 per machine-hour × 60,000 machine-hours) = $462,000 + $132,000 = $594,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $594,000 ÷ 60,000 machine-hours = $9.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.90 per machine-hour × 80 machine-hours = $792

Direct materials	$ 940
Direct labor	2,240
Manufacturing overhead applied	792
Total cost of Job X455	$ 3,972

Total cost of Job X455 (a)	$3,972
Number of units (b)	20
Unit product cost (a) ÷ (b)	$198.60

Unit product cost for Job X455	$ 198.60
Markup (20% × $198.60)	39.72
Selling price	$ 238.32

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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156) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The amount of overhead applied to Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,256
B) $632
C) $944
D) $312

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $237,000 + ($3.90 per machine-hour × 30,000 machine-hours) = $237,000 + $117,000 = $354,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $354,000 ÷ 30,000 machine-hours = $11.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.80 per machine-hour × 80 machine-hours = $944
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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157) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The total job cost for Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,660
B) $3,104
C) $3,604
D) $1,444

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $237,000 + ($3.90 per machine-hour × 30,000 machine-hours) = $237,000 + $117,000 = $354,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $354,000 ÷ 30,000 machine-hours = $11.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.80 per machine-hour × 80 machine-hours = $944

Direct materials	$ 500
Direct labor	2,160
Manufacturing overhead applied	944
Total cost of Job A496	$ 3,604

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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158) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The unit product cost for Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $133.00
B) $72.20
C) $45.05
D) $180.20

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $237,000 + ($3.90 per machine-hour × 30,000 machine-hours) = $237,000 + $117,000 = $354,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $354,000 ÷ 30,000 machine-hours = $11.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.80 per machine-hour × 80 machine-hours = $944

Direct materials	$ 500
Direct labor	2,160
Manufacturing overhead applied	944
Total cost of Job A496	$ 3,604

Total cost of Job A496 (a)	$3,604
Number of units (b)	20
Unit product cost (a) ÷ (b)	$180.20

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

159) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

If the company marks up its unit product costs by 40% then the selling price for a unit in Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $186.20
B) $272.28
C) $72.08
D) $252.28

Answer: D
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $237,000 + ($3.90 per machine-hour × 30,000 machine-hours) = $237,000 + $117,000 = $354,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $354,000 ÷ 30,000 machine-hours = $11.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.80 per machine-hour × 80 machine-hours = $944

Direct materials	$ 500
Direct labor	2,160
Manufacturing overhead applied	944
Total cost of Job A496	$ 3,604

Total cost of Job A496 (a)	$ 3,604
Number of units (b)	20
Unit product cost (a) ÷ (b)	$ 180.20

Unit product cost for Job A496	$ 180.20
Markup (40% × $180.20)	72.08
Selling price	$ 252.28

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Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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160) Halbur Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 33,600	$ 10,000	$ 43,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job J
Direct materials	$ 11,300	$ 8,100
Direct labor cost	$ 18,500	$ 6,300
Machining machine-hours	4,100	1,900
Customizing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,208
B) $18,748
C) $12,464
D) $15,744

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 33,600
Estimated variable manufacturing overhead ($1.80 per MH × 6,000 MHs)	10,800
Estimated total manufacturing overhead cost	$ 44,400

Customizing

Estimated fixed manufacturing overhead	$ 10,000
Estimated variable manufacturing overhead ($2.80 per MH × 4,000 MHs)	11,200
Estimated total manufacturing overhead cost	$ 21,200

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($44,400 + $21,200 = $65,600) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$	65,600	
Estimated total machine hours		10,000	MHs
Predetermined overhead rate	$	6.56	per MH

The overhead applied to Job J is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate ×
Machine-hours incurred by the job

= $6.56 per MH × (1,900 MHs + 2,400 MHs)
= $6.56 per MH × (4,300 MHs)
= $28,208
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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161) Halbur Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 33,600	$ 10,000	$ 43,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job J
Direct materials	$ 11,300	$ 8,100
Direct labor cost	$ 18,500	$ 6,300
Machining machine-hours	4,100	1,900
Customizing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $18,500
B) $67,192
C) $11,300
D) $37,392

Answer: B
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 33,600
Estimated variable manufacturing overhead ($1.80 per MH × 6,000 MHs)	10,800
Estimated total manufacturing overhead cost	$ 44,400

Customizing

Estimated fixed manufacturing overhead	$ 10,000
Estimated variable manufacturing overhead ($2.80 per MH × 4,000 MHs)	11,200
Estimated total manufacturing overhead cost	$ 21,200

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($44,400 + $21,200 = $65,600) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 65,600	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 6.56	per MH

The overhead applied to Job C is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.56 per MH × (4,100 MHs + 1,600 MHs)
= $6.56 per MH × (5,700 MHs)
= $37,392

Job C's manufacturing cost:

Direct materials	$ 11,300
Direct labor cost	18,500
Manufacturing overhead applied	37,392
Total manufacturing cost	$ 67,192

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
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162) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The estimated total manufacturing overhead is closest to:
A) $475,000
B) $285,000
C) $190,000
D) $285,004

Answer: A
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $285,000 + ($3.80 per direct labor-hour × 50,000 direct labor-hours) = $285,000 + $190,000 = $475,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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163) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The predetermined overhead rate is closest to:
A) $13.30 per direct labor-hour
B) $3.80 per direct labor-hour
C) $9.50 per direct labor-hour
D) $5.70 per direct labor-hour

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $285,000 + ($3.80 per direct labor-hour × 50,000 direct labor-hours) = $285,000 + $190,000 = $475,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $475,000 ÷ 50,000 direct labor-hours = $9.50 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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164) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The amount of overhead applied to Job P513 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $76
B) $190
C) $266
D) $114

Answer: B
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $285,000 + ($3.80 per direct labor-hour × 50,000 direct labor-hours) = $285,000 + $190,000 = $475,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $475,000 ÷ 50,000 direct labor-hours = $9.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per direct labor-hour × 20 direct labor-hours = $190
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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165) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The total job cost for Job P513 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $690
B) $900
C) $1,400
D) $1,210

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $285,000 + ($3.80 per direct labor-hour × 50,000 direct labor-hours) = $285,000 + $190,000 = $475,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $475,000 ÷ 50,000 direct labor-hours = $9.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per direct labor-hour × 20 direct labor-hours = $190

Direct materials	$ 710
Direct labor	500
Manufacturing overhead applied	190
Total cost of Job P513	$ 1,400

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply

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166) Kubes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.50 per direct labor-hour, and 30,000 direct labor-hours. The company has provided the following data concerning Job A477 which was recently completed:

Total direct labor-hours	100
Direct materials	$520
Direct labor cost	$2,800

The amount of overhead applied to Job A477 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $300
B) $350
C) $650
D) $1,000

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $90,000 + ($3.50 per direct labor-hour × 30,000 direct labor-hours) = $90,000 + $105,000 = $195,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $195,000 ÷ 30,000 direct labor-hours = $6.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per direct labor-hour × 100 direct labor-hours = $650
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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167) Kubes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.50 per direct labor-hour, and 30,000 direct labor-hours. The company has provided the following data concerning Job A477 which was recently completed:

Total direct labor-hours	100
Direct materials	$520
Direct labor cost	$2,800

The total job cost for Job A477 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,450
B) $1,170
C) $3,970
D) $3,320

Answer: C
Explanation: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $90,000 + ($3.50 per direct labor-hour × 30,000 direct labor-hours) = $90,000 + $105,000 = $195,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $195,000 ÷ 30,000 direct labor-hours = $6.50 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per direct labor-hour × 100 direct labor-hours = $650

Direct materials	$ 520
Direct labor	2,800
Manufacturing overhead applied	650
Total cost of Job A477	$ 3,970

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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168) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The estimated total manufacturing overhead for the Assembly Department is closest to:
A) $77,600
B) $101,600
C) $56,674
D) $24,000

Answer: B
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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169) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The predetermined overhead rate for the Assembly Department is closest to:
A) $3.00 per direct labor-hour
B) $12.70 per direct labor-hour
C) $9.70 per direct labor-hour
D) $5.35 per direct labor-hour

Answer: B
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $101,600 ÷ 8,000 direct labor-hours = $12.70 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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170) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The amount of overhead applied in the Assembly Department to Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $508.00
B) $101,600.00
C) $388.00
D) $120.00

Answer: A

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Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $101,600 ÷ 8,000 direct labor-hours = $12.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.70 per direct labor-hour × 40 direct labor-hours = $508
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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171) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The total amount of overhead applied in both departments to Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $508
B) $672
C) $1,688
D) $1,180

Answer: D
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $129,200 + ($1.60 per machine-hour × 19,000 machine-hours)
= $129,200 +$30,400 = $159,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $159,600 ÷ 19,000 machine-hours = $8.40 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.40 per machine-hour × 80 machine-hours = $672

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Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $101,600 ÷ 8,000 direct labor-hours = $12.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.70 per direct labor-hour × 40 direct labor-hours = $508

Overhead applied to Job T288

Forming Department	$ 672
Assembly Department	508
Total	$ 1,180

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

172) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The total job cost for Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $672
B) $2,088
C) $2,302
D) $4,390

Answer: D
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $129,200 + ($1.60 per machine-hour × 19,000 machine-hours)
= $129,200 + $30,400 = $159,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $159,600 ÷ 19,000 machine-hours = $8.40 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.40 per machine-hour × 80 machine-hours = $672

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Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $101,600 ÷ 8,000 direct labor-hours = $12.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.70 per direct labor-hour × 40 direct labor-hours = $508

	Forming	Assembly	Total
Direct materials	$ 730	$ 380	$ 1,110
Direct labor	$ 900	$ 1,200	2,100
Manufacturing overhead applied	$ 672	$ 508	1,180
Total cost of Job T288			$ 4,390

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

173) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

If the company marks up its manufacturing costs by 20% then the selling price for Job T288 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,390.00
B) $878.00
C) $5,268.00
D) $5,795.00

Answer: C
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $129,200 + ($1.60 per machine-hour × 19,000 machine-hours)
= $129,200 + $30,400 = $159,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $159,600 ÷ 19,000 machine-hours = $8.40 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.40 per machine-hour × 80 machine-hours = $672

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Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $77,600 + ($3.00 per direct labor-hour × 8,000 direct labor-hours)
= $77,600 + $24,000 = $101,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $101,600 ÷ 8,000 direct labor-hours = $12.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.70 per direct labor-hour × 40 direct labor-hours = $508

	Forming	Assembly	Total
Direct materials	$ 730	$ 380	$ 1,110
Direct labor	$ 900	$ 1,200	2,100
Manufacturing overhead applied	$ 672	$ 508	1,180
Total cost of Job T288			$ 4,390

Total cost of Job T288	$ 4,390.00
Markup ($4,390.00 × 20%)	878.00
Selling price	$ 5,268.00

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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174) Macnamara Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 8,800	$ 13,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.90	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 11,500	$ 9,000
Direct labor cost	$ 18,400	$ 7,400
Casting machine-hours	700	300
Finishing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,620
B) $12,780
C) $12,420
D) $8,160

Answer: B
Explanation:
Casting Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.80 per MH × 1,000 MHs)	1,800
Estimated total manufacturing overhead cost (a)	$ 6,600
Estimated total machine-hours (b)	1,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 6.60/MH

Finishing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 8,800
Estimated variable manufacturing overhead ($2.90 per MH × 4,000 MHs)	11,600
Estimated total manufacturing overhead cost (a)	$ 20,400
Estimated total machine-hours (b)	4,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10/MH

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Manufacturing overhead applied to Job F:

Casting ($6.60 per MH × 700 MHs)	$ 4,620
Finishing ($5.10 per MH × 1,600 MHs)	8,160
Total manufacturing overhead applied	$ 12,780

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

175) Macnamara Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 8,800	$ 13,600
Estimated variable manufacturing overhead cost/MH	$ 1.80	$ 2.90	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 11,500	$ 9,000
Direct labor cost	$ 18,400	$ 7,400
Casting machine-hours	700	300
Finishing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $15,310
B) $47,767
C) $30,620
D) $45,930

Answer: D

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Explanation: Casting Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.80 per MH × 1,000 MHs)	1,800
Estimated total manufacturing overhead cost (a)	$ 6,600
Estimated total machine-hours (b)	1,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 6.60/MH

Finishing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 8,800
Estimated variable manufacturing overhead ($2.90 per MH × 4,000 MHs)	11,600
Estimated total manufacturing overhead cost (a)	$ 20,400
Estimated total machine-hours (b)	4,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10/MH

Manufacturing overhead applied to Job M:

Casting ($6.60 per MH × 300 MHs)	$ 1,980
Finishing ($5.10 per MH × 2,400 MHs)	12,240
Total manufacturing overhead applied	$ 14,220

The selling price for Job M would be calculated as follows:

Direct materials	$ 9,000
Direct labor cost	7,400
Manufacturing overhead applied	14,220
Total manufacturing cost	$ 30,620
Markup (50%)	15,310
Selling price	$ 45,930

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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176) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The predetermined overhead rate for the Forming Department is closest to:
A) $5.70 per machine-hour
B) $7.70 per machine-hour
C) $2.00 per machine-hour
D) $18.70 per machine-hour

Answer: B
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $96,900 + ($2.00 per machine-hour × 17,000 machine-hours)
= $96,900 + $34,000 = $130,900

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $130,900 ÷ 17,000 machine-hours = $7.70 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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177) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The predetermined overhead rate for the Finishing Department is closest to:
A) $9.40 per direct labor-hour
B) $13.00 per direct labor-hour
C) $3.60 per direct labor-hour
D) $5.35 per direct labor-hour

Answer: B
Explanation: Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $65,800 + ($3.60 per direct labor-hour × 7,000 direct labor-hours)
= $65,800 + $25,200 = $91,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $91,000 ÷ 7,000 direct labor-hours = $13.00 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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178) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The total job cost for Job M381 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,206
B) $616
C) $4,076
D) $1,870

Answer: C

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Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $96,900 + ($2.00 per machine-hour × 17,000 machine-hours)
= $96,900 +$34,000 = $130,900

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $130,900 ÷ 17,000 machine-hours = $7.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.70 per machine-hour × 80 machine-hours = $616

Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $65,800 + ($3.60 per direct labor-hour × 7,000 direct labor-hours)
= $65,800 + $25,200 = $91,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $91,000 ÷ 7,000 direct labor-hours = $13.00 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.00 per direct labor-hour × 40 direct labor-hours = $520

	Forming	Finishing	Total
Direct materials	$ 840	$ 350	$ 1,190
Direct labor	$ 750	$ 1,000	1,750
Manufacturing overhead applied	$ 616	$ 520	1,136
Total cost of Job M381			$ 4,076

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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179) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $136,800
B) $34,200
C) $171,000
D) $359,100

Answer: C
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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180) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The predetermined overhead rate for the Machining Department is closest to:
A) $7.20 per machine-hour
B) $9.00 per machine-hour
C) $21.38 per machine-hour
D) $1.80 per machine-hour

Answer: B
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $171,000 ÷ 19,000 machine-hours = $9.00 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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181) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The amount of overhead applied in the Machining Department to Job K928 is closest to:
A) $783.00
B) $810.00
C) $162.00
D) $171,000.00

Answer: B

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $171,000 ÷ 19,000 machine-hours = $9.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.00 per machine-hour × 90 machine-hours = $810
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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182) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The total amount of overhead applied in both departments to Job K928 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,405
B) $2,000
C) $810
D) $595

Answer: A

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $171,000 ÷ 19,000 machine-hours = $9.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.00 per machine-hour × 90 machine-hours = $810

Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $69,600 + ($3.20 per direct labor-hour × 8,000 direct labor-hours)
= $69,600 + $25,600 = $95,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $95,200 ÷ 8,000 direct labor-hours = $11.90 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.90 per direct labor-hour × 50 direct labor-hours = $595

Overhead applied to Job K928

Machining Department	$ 810
Finishing Department	595
Total	$ 1,405

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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183) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The total job cost for Job K928 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $810
B) $4,275
C) $2,060
D) $2,215

Answer: B

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $171,000 ÷ 19,000 machine-hours = $9.00 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.00 per machine-hour × 90 machine-hours = $810

Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $69,600 + ($3.20 per direct labor-hour × 8,000 direct labor-hours)
= $69,600 + $25,600 = $95,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $95,200 ÷ 8,000 direct labor-hours = $11.90 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.90 per direct labor-hour × 50 direct labor-hours = $595

	Machining	Finishing	Total
Direct materials	$ 775	$ 415	$ 1,190
Direct labor	$ 630	$ 1,050	1,680
Manufacturing overhead applied	$ 810	$ 595	1,405
Total cost of Job K928			$ 4,275

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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184) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

If the company marks up its manufacturing costs by 20% then the selling price for Job K928 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,275.00
B) $5,643.00
C) $5,130.00
D) $855.00

Answer: C

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $136,800 + ($1.80 per machine-hour × 19,000 machine-hours)
= $136,800 + $34,200 = $171,000
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $171,000 ÷ 19,000 machine-hours = $9.00 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.00 per machine-hour × 90 machine-hours = $810

Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $69,600 + ($3.20 per direct labor-hour × 8,000 direct labor-hours)
= $69,600 + $25,600 = $95,200
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $95,200 ÷ 8,000 direct labor-hours = $11.90 per direct labor-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.90 per direct labor-hour × 50 direct labor-hours = $595

	Machining	Finishing	Total
Direct materials	$ 775	$ 415	$ 1,190
Direct labor	$ 630	$ 1,050	1,680
Manufacturing overhead applied	$ 810	$ 595	1,405
Total cost of Job K928			$ 4,275

Total cost of Job K928	$ 4,275.00
Markup ($4,275.00 × 20%)	855.00
Selling price	$ 5,130.00

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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185) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $90,707
B) $27,487
C) $82,461
D) $54,974

Answer: C
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.10 per MH × 1,000 MHs)	1,100
Estimated total manufacturing overhead cost	$ 5,900

Customizing

Estimated fixed manufacturing overhead	$ 23,400
Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500
Estimated total manufacturing overhead cost	$ 45,900

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($5,900 + $45,900 = $51,800) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 51,800	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 5.18	per MH

The overhead applied to Job A is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.18 per MH × (700 MHs + 3,600 MHs)
= $5.18 per MH × (4,300 MHs)
= $22,274

Job A's manufacturing cost:

Direct materials	$ 12,000
Direct labor cost	20,700
Manufacturing overhead applied	22,274
Total manufacturing cost	$ 54,974

The selling price for Job A:

Total manufacturing cost	$ 54,974
Markup (50%)	27,487
Selling price	$ 82,461

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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186) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $71,983
B) $65,439
C) $43,626
D) $21,813

Answer: B
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Machining

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.10 per MH × 1,000 MHs)	1,100
Estimated total manufacturing overhead cost	$ 5,900

Customizing

Estimated fixed manufacturing overhead	$ 23,400
Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500
Estimated total manufacturing overhead cost	$ 45,900

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($5,900 + $45,900 = $51,800) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$	51,800	
Estimated total machine hours		10,000	MHs
Predetermined overhead rate	$	5.18	per MH

The overhead applied to Job J is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.18 per MH × (300 MHs + 5,400 MHs)
= $5.18 per MH × (5,700 MHs)
= $29,526

Job J's manufacturing cost:

Direct materials	$	7,700
Direct labor cost		6,400
Manufacturing overhead applied		29,526
Total manufacturing cost	$	43,626

The selling price for Job J:

Total manufacturing cost	$	43,626
Markup (50%)		21,813
Selling price	$	65,439

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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187) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $27,595
B) $87,752
C) $82,785
D) $55,190

Answer: C

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Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.10 per MH × 1,000 MHs)	1,100
Estimated total manufacturing overhead cost (a)	$ 5,900
Estimated total machine-hours (b)	1,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.90/MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 23,400
Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500
Estimated total manufacturing overhead cost (a)	$ 45,900
Estimated total machine-hours (b)	9,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10 per MH

Manufacturing overhead applied to Job A:

Machining ($5.90 per MH × 700 MHs)	$ 4,130
Customizing ($5.10 per MH × 3,600 MHs)	18,360
Total manufacturing overhead applied	$ 22,490

The selling price for Job A would be calculated as follows:

Direct materials	$ 12,000
Direct labor cost	20,700
Manufacturing overhead applied	22,490
Total manufacturing cost	$ 55,190
Markup (50%)	27,595
Selling price	$ 82,785

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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188) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $65,115
B) $67,720
C) $21,705
D) $43,410

Answer: A

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Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 4,800
Estimated variable manufacturing overhead ($1.10 per MH × 1,000 MHs)	1,100
Estimated total manufacturing overhead cost (a)	$ 5,900
Estimated total machine-hours (b)	1,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.90/MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 23,400
Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500
Estimated total manufacturing overhead cost (a)	$ 45,900
Estimated total machine-hours (b)	9,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10/MH

Manufacturing overhead applied to Job J:

Machining ($5.90 per MH × 300 MHs)	$ 1,770
Customizing ($5.10 per MH × 5,400 MHs)	27,540
Total manufacturing overhead applied	$ 29,310

The selling price for Job J would be calculated as follows:

Direct materials	$ 7,700
Direct labor cost	6,400
Manufacturing overhead applied	29,310
Total manufacturing cost	$ 43,410
Markup (50%)	21,705
Selling price	$ 65,115

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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189) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

The amount of overhead applied in the Milling Department to Job A319 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $142,200.00
B) $552.00
C) $96.00
D) $474.00

Answer: D
Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $113,400 + ($1.60 per machine-hour × 18,000 machine-hours)
= $113,400 + $28,800 = $142,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $142,200 ÷ 18,000 machine-hours = $7.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.90 per machine-hour × 60 machine-hours = $474
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost

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to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

190) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

The amount of overhead applied in the Customizing Department to Job A319 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $234.00
B) $786.00
C) $552.00
D) $91,700.00

Answer: B

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Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $64,400 + ($3.90 per direct labor-hour × 7,000 direct labor-hours)
= $64,400 + $27,300 = $91,700

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $91,700 ÷ 7,000 direct labor-hours = $13.10 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.10 per direct labor-hour × 60 direct labor-hours = $786
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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191) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

If the company marks up its manufacturing costs by 20% then the selling price for Job A319 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,042.00
B) $4,584.00
C) $3,820.00
D) $764.00

Answer: B
Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $113,400 + ($1.60 per machine-hour × 18,000 machine-hours)
= $113,400 +$28,800 = $142,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $142,200 ÷ 18,000 machine-hours = $7.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.90 per machine-hour × 60 machine-hours = $474

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Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $64,400 + ($3.90 per direct labor-hour × 7,000 direct labor-hours)
= $64,400 + $27,300 = $91,700

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $91,700 ÷ 7,000 direct labor-hours = $13.10 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.10 per direct labor-hour × 60 direct labor-hours = $786

	Milling	Customizing	Total
Direct materials	$ 655	$ 305	$ 960
Direct labor	$ 400	$ 1,200	1,600
Manufacturing overhead applied	$ 474	$ 786	1,260
Total cost of Job A319			$ 3,820

Total cost of Job A319	$ 3,820.00
Markup ($3,820.00 × 20%)	764.00
Selling price	$ 4,584.00

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

192) Sanderlin Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 26,500	$ 13,500	$ 40,000
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job C and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job L
Direct materials	$ 12,500	$ 8,200
Direct labor cost	$ 20,200	$ 6,400
Machining machine-hours	3,400	1,600
Finishing machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,680
B) $28,780
C) $17,100
D) $29,900

Answer: B

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Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 26,500	
Estimated variable manufacturing overhead ($2.00 per MH × 5,000 MHs)	10,000	
Estimated total manufacturing overhead cost (a)	$ 36,500	
Estimated total machine-hours (b)	5,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.30/MH	

Finishing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 13,500	
Estimated variable manufacturing overhead ($3.00 per MH × 5,000 MHs)	15,000	
Estimated total manufacturing overhead cost (a)	$ 28,500	
Estimated total machine-hours (b)	5,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.70/MH	

Manufacturing overhead applied to Job L:

Machining ($7.30 per MH × 1,600 MHs)	$ 11,680
Finishing ($5.70 per MH × 3,000 MHs)	17,100
Total manufacturing overhead applied	$ 28,780

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

193) Sanderlin Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 26,500	$ 13,500	$ 40,000
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job C and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job L
Direct materials	$ 12,500	$ 8,200
Direct labor cost	$ 20,200	$ 6,400
Machining machine-hours	3,400	1,600
Finishing machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 20% on manufacturing cost to establish selling prices. The calculated selling price for Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $87,666
B) $68,920
C) $13,784
D) $82,704

Answer: D

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

Explanation: Machining Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 26,500
Estimated variable manufacturing overhead ($2.00 per MH × 5,000 MHs)	10,000
Estimated total manufacturing overhead cost (a)	$ 36,500
Estimated total machine-hours (b)	5,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.30/MH

Finishing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 13,500
Estimated variable manufacturing overhead ($3.00 per MH × 5,000 MHs)	15,000
Estimated total manufacturing overhead cost (a)	$ 28,500
Estimated total machine-hours (b)	5,000 MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.70/MH

Manufacturing overhead applied to Job C:

Machining ($7.30 per MH × 3,400 MHs)	$ 24,820
Finishing ($5.70 per MH × 2,000 MHs)	11,400
Total manufacturing overhead applied	$ 36,220

The selling price for Job C would be calculated as follows:

Direct materials	$ 12,500
Direct labor cost	20,200
Manufacturing overhead applied	36,220
Total manufacturing cost	$ 68,920
Markup (20%)	13,784
Selling price	$ 82,704

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

194) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

The total amount of overhead applied in both departments to Job T268 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $616
B) $715
C) $2,046
D) $1,331

Answer: D

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Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,000 + ($1.70 per machine-hour × 17,000 machine-hours)
= $102,000 + $28,900 = $130,900

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred

= $130,900 ÷ 17,000 machine-hours = $7.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.70 per machine-hour × 80 machine-hours = $616

Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $61,200 + ($4.10 per direct labor-hour × 6,000 direct labor-hours)
= $61,200 + $24,600 = $85,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred

= $85,800 ÷ 6,000 direct labor-hours = $14.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.30 per direct labor-hour × 50 direct labor-hours = $715

Overhead applied to Job T268

Machining Department	$ 616
Customizing Department	715
Total	$ 1,331

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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195) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

The total job cost for Job T268 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,595
B) $616
C) $4,831
D) $2,236

Answer: C
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,000 + ($1.70 per machine-hour × 17,000 machine-hours)
= $102,000 + $28,900 = $130,900

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $130,900 ÷ 17,000 machine-hours = $7.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.70 per machine-hour × 80 machine-hours = $616

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Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $61,200 + ($4.10 per direct labor-hour × 6,000 direct labor-hours)
= $61,200 + $24,600 = $85,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $85,800 ÷ 6,000 direct labor-hours = $14.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.30 per direct labor-hour × 50 direct labor-hours = $715

	Machining	Customizing	Total
Direct materials	$ 720	$ 380	$ 1,100
Direct labor	$ 900	$ 1,500	2,400
Manufacturing overhead applied	$ 616	$ 715	1,331
Total cost of Job T268			$ 4,831

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

196) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

If the company marks up its manufacturing costs by 40% then the selling price for Job T268 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,932.40
B) $6,763.40
C) $4,831.00
D) $7,440.00

Answer: B
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,000 + ($1.70 per machine-hour × 17,000 machine-hours)
= $102,000 + $28,900 = $130,900

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $130,900 ÷ 17,000 machine-hours = $7.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.70 per machine-hour × 80 machine-hours = $616

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Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $61,200 + ($4.10 per direct labor-hour × 6,000 direct labor-hours)
= $61,200 + $24,600 = $85,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $85,800 ÷ 6,000 direct labor-hours = $14.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.30 per direct labor-hour × 50 direct labor-hours = $715

	Machining	Customizing	Total
Direct materials	$ 720	$ 380	$ 1,100
Direct labor	$ 900	$ 1,500	2,400
Manufacturing overhead applied	$ 616	$ 715	1,331
Total cost of Job T268			$ 4,831

Total cost of Job T268	$ 4,831.00
Markup ($4,831.00 × 40%)	1,932.40
Selling price	$ 6,763.40

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

197) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,512
B) $16,632
C) $11,880
D) $17,664

Answer: A
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Forming

Estimated fixed manufacturing overhead	$ 16,500
Estimated variable manufacturing overhead ($1.70 per MH × 3,000 MHs)	5,100
Estimated total manufacturing overhead cost	$ 21,600

Customizing

Estimated fixed manufacturing overhead	$ 20,300
Estimated variable manufacturing overhead ($2.50 per MH × 7,000 MHs)	17,500
Estimated total manufacturing overhead cost	$ 37,800

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($21,600 + $37,800 = $59,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 59,400	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 5.94	per MH

The overhead applied to Job A is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.94 per MH × (2,000 MHs + 2,800 MHs)
= $5.94 per MH × (4,800 MHs)
= $28,512
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Apply
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Introduction to Managerial Accounting 8th edition Brewer Test Bank

198) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $19,136
B) $5,940
C) $30,888
D) $24,948

Answer: C
Explanation: The first step is to calculate the estimated total overhead costs in the two departments.

Forming

Estimated fixed manufacturing overhead	$ 16,500
Estimated variable manufacturing overhead ($1.70 per MH × 3,000 MHs)	5,100
Estimated total manufacturing overhead cost	$ 21,600

Customizing

Estimated fixed manufacturing overhead	$ 20,300
Estimated variable manufacturing overhead ($2.50 per MH × 7,000 MHs)	17,500
Estimated total manufacturing overhead cost	$ 37,800

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($21,600 + $37,800 = $59,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$ 59,400	
Estimated total machine hours	10,000	MHs
Predetermined overhead rate	$ 5.94	per MH

The overhead applied to Job H is calculated as follows:

Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $5.94 per MH × (1,000 MHs + 4,200 MHs)
= $5.94 per MH × (5,200 MHs)
= $30,888
Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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199) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $14,400
B) $15,120
C) $28,512
D) $29,520

Answer: D
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 16,500
Estimated variable manufacturing overhead ($1.70 per MH × 3,000 MHs)	5,100
Estimated total manufacturing overhead cost (a)	$ 21,600
Estimated total machine-hours (b)	3,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.20/MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 20,300
Estimated variable manufacturing overhead ($2.50 per MH × 7,000 MHs)	17,500
Estimated total manufacturing overhead cost (a)	$ 37,800
Estimated total machine-hours (b)	7,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.40/MH

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Manufacturing overhead applied to Job A:

Forming ($7.20 per MH × 2,000 MHs)	$	14,400
Customizing ($5.40 per MH × 2,800 MHs)		15,120
Total manufacturing overhead applied	$	29,520

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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200) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $22,680
B) $30,888
C) $29,880
D) $7,200

Answer: C
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 16,500
Estimated variable manufacturing overhead ($1.70 per MH × 3,000 MHs)	5,100
Estimated total manufacturing overhead cost (a)	$ 21,600
Estimated total machine-hours (b)	3,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.20/MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 20,300
Estimated variable manufacturing overhead ($2.50 per MH × 7,000 MHs)	17,500
Estimated total manufacturing overhead cost (a)	$ 37,800
Estimated total machine-hours (b)	7,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.40/MH

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Manufacturing overhead applied to Job H:

Forming ($7.20 per MH × 1,000 MHs)	$	7,200
Customizing ($5.40 per MH × 4,200 MHs)		22,680
Total manufacturing overhead applied	$	29,880

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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201) Tiff Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Assembly
Machine-hours	17,000	10,000
Direct labor-hours	1,000	5,000
Total fixed manufacturing overhead cost	$ 129,200	$ 46,500
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job P131. The following data were recorded for this job:

Job P131:	Casting	Assembly
Machine-hours	90	20
Direct labor-hours	20	60

The predetermined overhead rate for the Casting Department is closest to:
A) $9.40 per machine-hour
B) $7.60 per machine-hour
C) $1.80 per machine-hour
D) $31.96 per machine-hour

Answer: A
Explanation: Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $129,200 + ($1.80 per machine-hour × 17,000 machine-hours)
= $129,200 + $30,600 = $159,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $159,800 ÷ 17,000 machine-hours = $9.40 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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202) Tiff Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Assembly
Machine-hours	17,000	10,000
Direct labor-hours	1,000	5,000
Total fixed manufacturing overhead cost	$ 129,200	$ 46,500
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job P131. The following data were recorded for this job:

Job P131:	Casting	Assembly
Machine-hours	90	20
Direct labor-hours	20	60

The amount of overhead applied in the Assembly Department to Job P131 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $228.00
B) $558.00
C) $65,500.00
D) $786.00

Answer: D
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $46,500 + ($3.80 per direct labor-hour × 5,000 direct labor-hours)
= $46,500 + $19,000 = $65,500

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $65,500 ÷ 5,000 direct labor-hours = $13.10 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.10 per direct labor-hour × 60 direct labor-hours = $786
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.

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Bloom's: Apply
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203) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $137,600
B) $104,000
C) $33,600
D) $310,933

Answer: A
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $104,000 + ($2.10 per machine-hour × 16,000 machine-hours)
= $104,000 + $33,600 = $137,600
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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204) Eisentrout Corporation has two production departments, Machining and Customizing. The

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company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $40,950
B) $19,800
C) $56,400
D) $76,200

Answer: D
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $56,400 + ($3.30 per direct labor-hour × 6,000 direct labor-hours)
= $56,400 + $19,800 = $76,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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205) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The predetermined overhead rate for the Machining Department is closest to:
A) $22.93 per machine-hour
B) $6.50 per machine-hour
C) $2.10 per machine-hour
D) $8.60 per machine-hour

Answer: D
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $104,000 + ($2.10 per machine-hour × 16,000 machine-hours)
= $104,000 + $33,600 = $137,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $137,600 ÷ 16,000 machine-hours = $8.60 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

206) Eisentrout Corporation has two production departments, Machining and Customizing. The

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company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The predetermined overhead rate for the Customizing Department is closest to:
A) $3.30 per direct labor-hour
B) $12.70 per direct labor-hour
C) $9.40 per direct labor-hour
D) $4.76 per direct labor-hour

Answer: B
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $56,400 + ($3.30 per direct labor-hour × 6,000 direct labor-hours)
= $56,400 + $19,800 = $76,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $76,200 ÷ 6,000 direct labor-hours = $12.70 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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207) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each

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production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The amount of overhead applied in the Machining Department to Job T272 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $137,600.00
B) $126.00
C) $516.00
D) $564.00

Answer: C
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $104,000 + ($2.10 per machine-hour × 16,000 machine-hours)
= $104,000 + $33,600 = $137,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $137,600 ÷ 16,000 machine-hours = $8.60 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.60 per machine-hour × 60 machine-hours = $516
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates

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Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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208) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The amount of overhead applied in the Customizing Department to Job T272 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $76,200.00
B) $762.00
C) $564.00
D) $198.00

Answer: B
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $56,400 + ($3.30 per direct labor-hour × 6,000 direct labor-hours)
= $56,400 + $19,800 = $76,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $76,200 ÷ 6,000 direct labor-hours = $12.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.70 per direct labor-hour × 60 direct labor-hours = $762
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates

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209) Stoke Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	20,000	15,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 138,000	$ 58,100
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job A460. The following data were recorded for this job:

Job A460:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	50

The amount of overhead applied in the Forming Department to Job A460 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $184,000.00
B) $184.00
C) $736.00
D) $664.00

Answer: C
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $138,000 + ($2.30 per machine-hour × 20,000 machine-hours)
= $138,000 + $46,000 = $184,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $184,000 ÷ 20,000 machine-hours = $9.20 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.20 per machine-hour × 80 machine-hours = $736
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.

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210) Stoke Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	20,000	15,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 138,000	$ 58,100
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job A460. The following data were recorded for this job:

Job A460:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	50

The amount of overhead applied in the Assembly Department to Job A460 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $415.00
B) $150.00
C) $565.00
D) $79,100.00

Answer: C
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $58,100 + ($3.00 per direct labor-hour × 7,000 direct labor-hours)
= $58,100 + $21,000 = $79,100

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $79,100 ÷ 7,000 direct labor-hours = $11.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.30 per direct labor-hour × 50 direct labor-hours = $565
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.

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211) Vanliere Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	11,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 138,700	$ 52,800
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job A803. The following data were recorded for this job:

Job A803:	Machining	Finishing
Machine-hours	90	20
Direct labor-hours	20	60

The predetermined overhead rate for the Finishing Department is closest to:
A) $8.80 per direct labor-hour
B) $3.98 per direct labor-hour
C) $12.60 per direct labor-hour
D) $3.80 per direct labor-hour

Answer: C
Explanation: Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $52,800 + ($3.80 per direct labor-hour × 6,000 direct labor-hours)
= $52,800 + $22,800 = $75,600

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $75,600 ÷ 6,000 direct labor-hours = $12.60 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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212) Vanliere Corporation has two production departments, Machining and Finishing. The

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company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	11,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 138,700	$ 52,800
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job A803. The following data were recorded for this job:

Job A803:	Machining	Finishing
Machine-hours	90	20
Direct labor-hours	20	60

The amount of overhead applied in the Machining Department to Job A803 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $828.00
B) $792.00
C) $171.00
D) $174,800.00

Answer: A
Explanation: Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $138,700 + ($1.90 per machine-hour × 19,000 machine-hours)
= $138,700 + $36,100 = $174,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $174,800 ÷ 19,000 machine-hours = $9.20 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.20 per machine-hour × 90 machine-hours = $828
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates

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Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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213) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The estimated total manufacturing overhead for the Forming Department is closest to:
A) $36,800
B) $102,400
C) $309,867
D) $139,200

Answer: D
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,400 + ($2.30 per machine-hour × 16,000 machine-hours)
= $102,400 + $36,800 = $139,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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214) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The estimated total manufacturing overhead for the Assembly Department is closest to:
A) $27,000
B) $55,200
C) $82,200
D) $47,700

Answer: C
Explanation: Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $55,200 + ($4.50 per direct labor-hour × 6,000 direct labor-hours)
= $55,200 + $27,000 = $82,200
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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215) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The total amount of overhead applied in both departments to Job T924 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,157
B) $548
C) $609
D) $1,705

Answer: A
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $102,400 + ($2.30 per machine-hour × 16,000 machine-hours)
= $102,400 + $36,800 = $139,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $139,200 ÷ 16,000 machine-hours = $8.70 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.70 per machine-hour × 70 machine-hours = $609

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Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $55,200 + ($4.50 per direct labor-hour × 6,000 direct labor-hours)
= $55,200 + $27,000 = $82,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $82,200 ÷ 6,000 direct labor-hours = $13.70 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.70 per direct labor-hour × 40 direct labor-hours = $548

Overhead applied to Job T924

Forming Department	$ 609
Assembly Department	548
Total	$ 1,157

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
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216) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Forming Department is closest to:
A) $5.60
B) $7.40
C) $1.80
D) $6.05

Answer: B
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 28,000
Estimated variable manufacturing overhead ($1.80 per MH × 5,000 MHs)	9,000
Estimated total manufacturing overhead cost (a)	$ 37,000
Estimated total machine-hours (b)	5,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.40/MH

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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217) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.60
B) $4.70
C) $6.05
D) $2.10

Answer: B
Explanation: Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 10,500
Estimated variable manufacturing overhead ($2.60 per MH × 5,000 MHs)	13,000
Estimated total manufacturing overhead cost (a)	$ 23,500
Estimated total machine-hours (b)	5,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.70/MH

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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218) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $9,400
B) $25,160
C) $32,670
D) $34,560

Answer: D
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 28,000	
Estimated variable manufacturing overhead ($1.80 per MH × 5,000 MHs)	9,000	
Estimated total manufacturing overhead cost (a)	$ 37,000	
Estimated total machine-hours (b)	5,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.40/MH	

Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 10,500	
Estimated variable manufacturing overhead ($2.60 per MH × 5,000 MHs)	13,000	
Estimated total manufacturing overhead cost (a)	$ 23,500	
Estimated total machine-hours (b)	5,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.70/MH	

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Manufacturing overhead applied to Job B:

Forming ($7.40 per MH × 3,400 MHs)	$	25,160
Assembly ($4.70 per MH × 2,000 MHs)		9,400
Total manufacturing overhead applied	$	34,560

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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219) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $27,830
B) $11,840
C) $25,940
D) $14,100

Answer: C
Explanation: Forming Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 28,000
Estimated variable manufacturing overhead ($1.80 per MH × 5,000 MHs)	9,000
Estimated total manufacturing overhead cost (a)	$ 37,000
Estimated total machine-hours (b)	5,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.40/MH

Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 10,500
Estimated variable manufacturing overhead ($2.60 per MH × 5,000 MHs)	13,000
Estimated total manufacturing overhead cost (a)	$ 23,500
Estimated total machine-hours (b)	5,000MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 4.70/MH

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Manufacturing overhead applied to Job L:

Forming ($7.40 per MH × 1,600 MHs)	$	11,840
Assembly ($4.70 per MH × 3,000 MHs)		14,100
Total manufacturing overhead applied	$	25,940

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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220) Barbeau Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	13,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 119,000	$ 42,000
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job A492. The following data were recorded for this job:

Job A492:	Milling	Customizing
Machine-hours	90	20
Direct labor-hours	20	50

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $63,500
B) $21,500
C) $42,000
D) $33,853

Answer: A
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $42,000 + ($4.30 per direct labor-hour × 5,000 direct labor-hours)
= $42,000 + $21,500 = $63,500
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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221) Barbeau Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	13,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 119,000	$ 42,000
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job A492. The following data were recorded for this job:

Job A492:	Milling	Customizing
Machine-hours	90	20
Direct labor-hours	20	50

The amount of overhead applied in the Milling Department to Job A492 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $146,200.00
B) $144.00
C) $756.00
D) $774.00

Answer: D

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Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $119,000 + ($1.60 per machine-hour × 17,000 machine-hours)
= $119,000 + $27,200 = $146,200

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $146,200 ÷ 17,000 machine-hours = $8.60 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.60 per machine-hour × 90 machine-hours = $774
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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222) Kroeker Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	12,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 112,200	$ 81,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T898. The following data were recorded for this job:

Job T898:	Milling	Customizing
Machine-hours	80	30
Direct labor-hours	20	50

The estimated total manufacturing overhead for the Milling Department is closest to:
A) $240,833
B) $141,100
C) $28,900
D) $112,200

Answer: B
Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $112,200 + ($1.70 per machine-hour × 17,000 machine-hours)
= $112,200 + $28,900 = $141,100
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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223) Kroeker Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	12,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 112,200	$ 81,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T898. The following data were recorded for this job:

Job T898:	Milling	Customizing
Machine-hours	80	30
Direct labor-hours	20	50

The amount of overhead applied in the Customizing Department to Job T898 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $450.00
B) $119,700.00
C) $665.00
D) $215.00

Answer: C

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Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $81,000 + ($4.30 per direct labor-hour × 9,000 direct labor-hours)
= $81,000 + $38,700 = $119,700

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $119,700 ÷ 9,000 direct labor-hours = $13.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.30 per direct labor-hour × 50 direct labor-hours = $665
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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224) Petty Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Finishing
Machine-hours	20,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 148,000	$ 88,000
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The estimated total manufacturing overhead for the Milling Department is closest to:
A) $408,000
B) $38,000
C) $148,000
D) $186,000

Answer: D
Explanation: Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $148,000 + ($1.90 per machine-hour × 20,000 machine-hours)
= $148,000 + $38,000 = $186,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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225) Petty Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Finishing
Machine-hours	20,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 148,000	$ 88,000
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The predetermined overhead rate for the Finishing Department is closest to:
A) $5.84 per direct labor-hour
B) $3.60 per direct labor-hour
C) $11.00 per direct labor-hour
D) $14.60 per direct labor-hour

Answer: D
Explanation: Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $88,000 + ($3.60 per direct labor-hour × 8,000 direct labor-hours)
= $88,000 + $28,800 = $116,800

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $116,800 ÷ 8,000 direct labor-hours = $14.60 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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226) Garza Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	20,000	13,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 152,000	$ 68,600
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 4.30

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $54,110
B) $30,100
C) $98,700
D) $68,600

Answer: C
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $68,600 + ($4.30 per direct labor-hour × 7,000 direct labor-hours)

= $68,600 + $30,100 = $98,700
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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227) Garza Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	20,000	13,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 152,000	$ 68,600
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 4.30

The predetermined overhead rate for the Casting Department is closest to:
A) $9.70 per machine-hour
B) $7.60 per machine-hour
C) $2.10 per machine-hour
D) $27.71 per machine-hour

Answer: A
Explanation: Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $152,000 + ($2.10 per machine-hour × 20,000 machine-hours)
= $152,000 + $42,000 = $194,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $194,000 ÷ 20,000 machine-hours = $9.70 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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228) Marciante Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 105,400	$ 52,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The estimated total manufacturing overhead for the Casting Department is closest to:
A) $387,260
B) $134,300
C) $28,900
D) $105,400

Answer: B
Explanation: Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $105,400 + ($1.70 per machine-hour × 17,000 machine-hours)
= $105,400 + $28,900 = $134,300
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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229) Marciante Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 105,400	$ 52,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The estimated total manufacturing overhead for the Finishing Department is closest to:
A) $71,500
B) $52,000
C) $34,794
D) $19,500

Answer: A
Explanation: Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $52,000 + ($3.90 per direct labor-hour × 5,000 direct labor-hours)
= $52,000 + $19,500 = $71,500
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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230) Jurica Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Customizing
Machine-hours	19,000	15,000
Direct labor-hours	4,000	6,000
Total fixed manufacturing overhead cost	$ 100,700	$ 63,000
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The predetermined overhead rate for the Forming Department is closest to:
A) $23.12 per machine-hour
B) $2.00 per machine-hour
C) $5.30 per machine-hour
D) $7.30 per machine-hour

Answer: D
Explanation: Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)

= $100,700 + ($2.00 per machine-hour × 19,000 machine-hours)
= $100,700 + $38,000 = $138,700

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $138,700 ÷ 19,000 machine-hours = $7.30 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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231) Jurica Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Customizing
Machine-hours	19,000	15,000
Direct labor-hours	4,000	6,000
Total fixed manufacturing overhead cost	$ 100,700	$ 63,000
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The predetermined overhead rate for the Customizing Department is closest to:
A) $4.55 per direct labor-hour
B) $3.90 per direct labor-hour
C) $10.50 per direct labor-hour
D) $14.40 per direct labor-hour

Answer: D
Explanation: Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)

= $63,000 + ($3.90 per direct labor-hour × 6,000 direct labor-hours)
= $63,000 + $23,400 = $86,400

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base incurred = $86,400 ÷ 6,000 direct labor-hours = $14.40 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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232) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $4.70
B) $7.40
C) $6.48
D) $3.70

Answer: C
Explanation:
The first step is to calculate the estimated total overhead costs in the two departments.

Casting

Estimated fixed manufacturing overhead	$ 17,700
Estimated variable manufacturing overhead ($1.50 per MH × 3,000 MHs)	4,500
Estimated total manufacturing overhead cost	$ 22,200

Assembly

Estimated fixed manufacturing overhead	$ 5,800
Estimated variable manufacturing overhead ($2.20 per MH × 2,000 MHs)	4,400
Estimated total manufacturing overhead cost	$ 10,200

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($22,200 + $10,200 = $32,400) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$	32,400	
Estimated total machine hours		5,000	MHs
Predetermined overhead rate	$	6.48	per MH

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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233) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Casting Department is closest to:
A) $1.50
B) $7.40
C) $5.90
D) $6.48

Answer: B
Explanation: Casting Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 17,700	
Estimated variable manufacturing overhead ($1.50 per MH × 3,000 MHs)	4,500	
Estimated total manufacturing overhead cost (a)	$ 22,200	
Estimated total machine-hours (b)	3,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 7.40/MH	

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Apply
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234) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.90
B) $6.48
C) $5.10
D) $2.20

Answer: C
Explanation: Assembly Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$ 5,800	
Estimated variable manufacturing overhead ($2.20 per MH × 2,000 MHs)	4,400	
Estimated total manufacturing overhead cost (a)	$ 10,200	
Estimated total machine-hours (b)	2,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$ 5.10/MH	

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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235) Linnear Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	30,000
	Total fixed manufacturing overhead cost	$144,000
	Variable manufacturing overhead per machine-hour	$4.00

Required:
Calculate the estimated total manufacturing overhead for the year.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $144,000 + ($4.00 per machine-hour × 30,000 machine-hours) = $144,000 + $120,000 = $264,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

236) Dallman Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $287,000, and a variable manufacturing overhead rate of $3.50 per machine-hour.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $287,000 + ($3.50 per machine-hour × 70,000 machine-hours) = $287,000 + $245,000 = $532,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $532,000 ÷ 70,000 machine-hours = $7.60 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Evaluate
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237) Henkes Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the company estimated the labor-hours for the upcoming year at 66,000 labor-hours. The estimated variable manufacturing overhead was $8.41 per labor-hour and the estimated total fixed manufacturing overhead was $1,533,180. The actual labor-hours for the year turned out to be 68,400 labor-hours.

Required:
Compute the company's predetermined overhead rate for the recently completed year.

Answer: Estimated total manufacturing overhead = $1,533,180 + ($8.41 per labor-hour × 66,000 labor-hours) = $2,088,240

Predetermined overhead rate = $2,088,240 ÷ 66,000 labor-hours = $31.64 per labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
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238) Crowson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$390,000
	Variable manufacturing overhead per machine-hour	$3.60

Required:
Calculate the predetermined overhead rate for the year.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $390,000 + ($3.60 per machine-hour × 50,000 machine-hours) = $390,000 + $180,000 = $570,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $570,000 ÷ 50,000 machine-hours = $11.40 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

239) Cannizzaro Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $248,000, and a variable manufacturing overhead rate of $3.80 per machine-hour.

Required:
Calculate the predetermined overhead rate for the year.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $248,000 + ($3.80 per machine-hour × 40,000 machine-hours) = $248,000 + $152,000 = $400,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $400,000 ÷ 40,000 machine-hours = $10.00 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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240) Quiet Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $152,000, and a variable manufacturing overhead rate of $3.10 per machine-hour.
Required:
Calculate the estimated total manufacturing overhead for the year.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $152,000 + ($3.10 per machine-hour × 40,000 machine-hours) = $152,000 + $124,000 = $276,000
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

241) Mccaughan Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. Data for the most recently completed year appear below:

Estimates made at the beginning of the year:		
Estimated labor-hours	37,000	
Estimated variable manufacturing overhead	$ 4.43	per labor-hour
Estimated total fixed manufacturing overhead	$ 705,220	
Actual labor-hours for the year	32,100	

Required:
Compute the company's predetermined overhead rate for the recently completed year.

Answer: Estimated total manufacturing overhead = $705,220 + ($4.43 per labor-hour × 37,000 labor-hours) = $869,130

Predetermined overhead rate = $869,130 ÷ 37,000 labor-hours = $23.49 per labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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242) Moscone Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the company estimated the labor-hours for the upcoming year at 78,000 labor-hours. The estimated variable manufacturing overhead was $9.99 per labor-hour and the estimated total fixed manufacturing overhead was $985,920.

Required:
Compute the company's predetermined overhead rate.

Answer: Estimated total manufacturing overhead = $985,920 + ($9.99 per labor-hour × 78,000 labor-hours) = $1,765,140

Predetermined overhead rate = $1,765,140 ÷ 78,000 labor-hours = $22.63 per labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

243) Lightner Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the upcoming year appear below:

Estimated machine-hours		50,000	
Estimated variable manufacturing overhead	$	8.82	per machine-hour
Estimated total fixed manufacturing overhead	$	1,077,000	

Required:
Compute the company's predetermined overhead rate.

Answer: Estimated total manufacturing overhead = $1,077,000 + ($8.82 per machine-hour × 50,000 machine-hours) = $1,518,000

Predetermined overhead rate = $1,518,000 ÷ 50,000 machine-hours = $30.36 per machine-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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244) Florek Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total direct labor-hours	10,000
	Total fixed manufacturing overhead cost	$31,000
	Variable manufacturing overhead per direct labor-hour	$2.50

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $31,000 + ($2.50 per direct labor-hour × 10,000 direct labor-hours) = $31,000 + $25,000 = $56,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $56,000 ÷ 10,000 direct labor-hours = $5.60 per direct labor-hour
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.
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245) Meenach Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 80,000 direct labor-hours, total fixed manufacturing overhead cost of $160,000, and a variable manufacturing overhead rate of $2.30 per direct labor-hour. Recently Job X387 was completed and required 120 direct labor-hours.

Required:
Calculate the amount of overhead applied to Job X387.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $160,000 + ($2.30 per direct labor-hour × 80,000 direct labor-hours) = $160,000 + $184,000 = $344,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $344,000 ÷ 80,000 direct labor-hours = $4.30 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.30 per direct labor-hour × 120 direct labor-hours = $516
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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246) Weakley Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $358,000 and 20,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $382,000 and 18,300 total machine-hours during the period.

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

Answer:

Estimated total fixed manufacturing overhead (a)	$358,000	
Estimated activity level (b)	20,000	machine-hours
Predetermined overhead rate (a) ÷ (b)	$17.90	per machine-hour
Actual activity level	18,300	machine-hours
Manufacturing overhead applied	$327,570	

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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247) Fillmore Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 60,000 direct labor-hours, total fixed manufacturing overhead cost of $96,000, and a variable manufacturing overhead rate of $3.30 per direct labor-hour. Recently Job X809 was completed and required 100 direct labor-hours.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X809.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.30 per direct labor-hour × 60,000 direct labor-hours) = $96,000 + $198,000 = $294,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $294,000 ÷ 60,000 direct labor-hours = $4.90 per direct labor-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $4.90 per direct labor-hour × 100 direct labor-hours = $490
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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248) Thrall Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	10,000
	Total fixed manufacturing overhead cost	$50,000
	Variable manufacturing overhead per machine-hour	$3.90

Recently Job K125 was completed and required 160 machine-hours.

Required:
Calculate the amount of overhead applied to Job K125.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $50,000 + ($3.90 per machine-hour × 10,000 machine-hours) = $50,000 + $39,000 = $89,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $89,000 ÷ 10,000 machine-hours = $8.90 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.90 per machine-hour × 160 machine-hours = $1,424
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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249) Verry Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	60,000
Total fixed manufacturing overhead cost	$342,000
Variable manufacturing overhead per direct labor-hour	$2.40

Recently Job X711 was completed and required 90 direct labor-hours.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X711.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $342,000 + ($2.40 per direct labor-hour × 60,000 direct labor-hours) = $342,000 + $144,000 = $486,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $486,000 ÷ 60,000 direct labor-hours = $8.10 per direct labor-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.10 per direct labor-hour × 90 direct labor-hours = $729
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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250) Trevigne Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$114,000	
Estimated activity level from the beginning of the year	10,000	machine-hours
Actual total fixed manufacturing overhead	$104,000	
Actual activity level	9,400	machine-hours

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

Answer:

Estimated total fixed manufacturing overhead (a)	$114,000	
Estimated activity level (b)	10,000	machine-hours
Predetermined overhead rate (a) ÷ (b)	$11.40	per machine-hour
Actual activity level	9,400	machine-hours
Manufacturing overhead applied	$107,160	

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
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251) Luarca Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$11,600	$7,200	$18,800
Estimated variable manufacturing overhead cost per MH	$1.90	$2.80	

During the most recent month, the company started and completed two jobs—Job F and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job L
Direct materials	$10,600	$6,600
Direct labor cost	$24,400	$8,600
Casting machine-hours	1,400	600
Customizing machine-hours	1,200	1,800

Required:
Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling prices for Job F and Job L.

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Answer:
The first step is to calculate the estimated total overhead costs in the two departments.

Casting	
Estimated fixed manufacturing overhead	$11,600
Estimated variable manufacturing overhead ($1.90 per MH × 2,000 MHs)	3,800
Estimated total manufacturing overhead cost	$15,400

Customizing	
Estimated fixed manufacturing overhead	$7,200
Estimated variable manufacturing overhead ($2.80 per MH × 3,000 MHs)	8,400
Estimated total manufacturing overhead cost	$15,600

The second step is to combine the estimated manufacturing overhead costs in the two departments ($15,400 + $15,600 = $31,000) to calculate the plantwide predetermined overhead rate as follow:

Estimated total manufacturing overhead cost	$31,000	
Estimated total machine hours	5,000	MHs
Predetermined overhead rate	$6.20	per MH

The overhead applied to Job F is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job

= $6.20 per MH × (1,400 MHs + 1,200 MHs)
= $6.20 per MH × (2,600 MHs)
= $16,120

The overhead applied to Job L is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.20 per MH × (600 MHs + 1,800 MHs)
= $6.20 per MH × (2,400 MHs)
= $14,880

Job F's manufacturing cost:

Direct materials	$10,600
Direct labor cost	24,400
Manufacturing overhead applied	16,120
Total manufacturing cost	$51,120

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Job L's manufacturing cost:	
Direct materials	$6,600
Direct labor cost	8,600
Manufacturing overhead applied	14,880
Total manufacturing cos	$30,080

The selling price for Job F:	
Total manufacturing cost	$51,120
Markup (50%)	25,560
Selling price	$76,680

The selling price for Job L:	
Total manufacturing cost	$30,080
Markup (50%)	15,040
Selling price	$45,120

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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252) Lamberson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$460,000
	Variable manufacturing overhead per machine-hour	$3.10

Recently Job P647 was completed with the following characteristics:

	Number of units in the job	50
	Total machine-hours	150
	Direct materials	$740
	Direct labor cost	$6,000

Required:
a. Calculate the amount of overhead applied to Job P647.
b. Calculate the total job cost for Job P647.
c. Calculate the unit product cost for Job P647.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $460,000 + ($3.10 per machine-hour × 50,000 machine-hours) = $460,000 + $155,000 = $615,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $615,000 ÷ 50,000 machine-hours = $12.30 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.30 per machine-hour × 150 machine-hours = $1,845

b.	Direct materials	$740
	Direct labor	6,000
	Manufacturing overhead applied	1,845
	Total cost of Job P647	$8,585

c.	Total cost of Job P647 (a)	$8,585
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$171.70

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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253) Mcewan Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 20,000 direct labor-hours, total fixed manufacturing overhead cost of $182,000, and a variable manufacturing overhead rate of $2.50 per direct labor-hour. Job X941, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	250
	Direct materials	$740
	Direct labor cost	$6,500

Required:
Calculate the selling price for Job X941 if the company marks up its unit product costs by 20%.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $182,000 + ($2.50 per direct labor-hour × 20,000 direct labor-hours) = $182,000 + $50,000 = $232,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $232,000 ÷ 20,000 direct labor-hours = $11.60 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.60 per direct labor-hour × 250 direct labor-hours = $2,900

	Direct materials	$740
	Direct labor	6,500
	Manufacturing overhead applied	2,900
	Total cost of Job X941	$10,140

	Total cost of Job X941 (a)	$10,140
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$202.80

	Unit product cost for Job X941	$202.80
	Markup (20% × $202.80)	40.56
	Selling price	$243.36

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Evaluate

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254) Teasley Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $630,000, and a variable manufacturing overhead rate of $3.40 per machine-hour. Job X159 was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	200
	Direct materials	$670
	Direct labor cost	$7,800

Required:
Calculate the total job cost for Job X159.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $630,000 + ($3.40 per machine-hour × 70,000 machine-hours) = $630,000 + $238,000 = $868,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $868,000 ÷ 70,000 machine-hours = $12.40 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.40 per machine-hour × 200 machine-hours = $2,480

	Direct materials	$670
	Direct labor	7,800
	Manufacturing overhead applied	2,480
	Total cost of Job X159	$10,950

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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255) Alsobrooks Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	40,000
	Total fixed manufacturing overhead cost	$156,000
	Variable manufacturing overhead per machine-hour	$2.20

Recently Job M242 was completed with the following characteristics:

	Number of units in the job	20
	Total machine-hours	60
	Direct materials	$725
	Direct labor cost	$1,680

Required:
a. Calculate the total job cost for Job M242.
b. Calculate the unit product cost for Job M242.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $156,000 + ($2.20 per machine-hour × 40,000 machine-hours) = $156,000 + $88,000 = $244,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $244,000 ÷ 40,000 machine-hours = $6.10 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.10 per machine-hour × 60 machine-hours = $366

	Direct materials	$725
	Direct labor	1,680
	Manufacturing overhead applied	366
	Total cost of Job M242	$2,771

b.	Total cost of Job M242 (a)	$2,771
	Number of units (b)	20
	Unit product cost (a) ÷ (b)	$138.55

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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256) Ryans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	10,000
	Total fixed manufacturing overhead cost	$71,000
	Variable manufacturing overhead per machine-hour	$2.50

Recently Job P512 was completed with the following characteristics:

	Number of units in the job	30
	Total machine-hours	60
	Direct materials	$870
	Direct labor cost	$2,400

Required:
a. Calculate the predetermined overhead rate for the year.
b. Calculate the amount of overhead applied to Job P512.
c. Calculate the total job cost for Job P512.
d. Calculate the unit product cost for Job P512.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $71,000 + ($2.50 per machine-hour × 10,000 machine-hours) = $71,000 + $25,000 = $96,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $96,000 ÷ 10,000 machine-hours = $9.60 per machine-hour

b. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.60 per machine-hour × 60 machine-hours = $576

c.	Direct materials	$870
	Direct labor	2,400
	Manufacturing overhead applied	576
	Total cost of Job P512	$3,846

d.	Total cost of Job P512 (a)	$3,846
	Number of units (b)	30
	Unit product cost (a) ÷ (b)	$128.20

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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257) Lezo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $136,000, and a variable manufacturing overhead rate of $2.90 per machine-hour. Job A290, which was for 60 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	300
	Direct materials	$585
	Direct labor cost	$7,200

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job A290.
d. Calculate the total job cost for Job A290.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $136,000 + ($2.90 per machine-hour × 40,000 machine-hours) = $136,000 + $116,000 = $252,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $252,000 ÷ 40,000 machine-hours = $6.30 per machine-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.30 per machine-hour × 300 machine-hours = $1,890

d.	Direct materials	$585
	Direct labor	7,200
	Manufacturing overhead applied	1,890
	Total cost of Job A290	$9,675

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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258) Whitlatch Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	60,000
	Total fixed manufacturing overhead cost	$342,000
	Variable manufacturing overhead per machine-hour	$2.70

Recently Job M238 was completed with the following characteristics:

	Number of units in the job	70
	Total machine-hours	140
	Direct materials	$945
	Direct labor cost	$2,800

Required:
Calculate the total job cost for Job M238.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $342,000 + ($2.70 per machine-hour × 60,000 machine-hours) = $342,000 + $162,000 = $504,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $504,000 ÷ 60,000 machine-hours = $8.40 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.40 per machine-hour × 140 machine-hours = $1,176

	Direct materials	$945
	Direct labor	2,800
	Manufacturing overhead applied	1,176
	Total cost of Job M238	$4,921

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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259) Obermeyer Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 10,000 direct labor-hours, total fixed manufacturing overhead cost of $96,000, and a variable manufacturing overhead rate of $3.60 per direct labor-hour. Job A735, which was for 40 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	200
	Direct materials	$540
	Direct labor cost	$6,400

Required:
a. Calculate the amount of overhead applied to Job A735.
b. Calculate the total job cost for Job A735.
c. Calculate the unit product cost for Job A735.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $96,000 + ($3.60 per direct labor-hour × 10,000 direct labor-hours) = $96,000 + $36,000 = $132,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $132,000 ÷ 10,000 direct labor-hours = $13.20 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.20 per direct labor-hour × 200 direct labor-hours = $2,640

b.	Direct materials	$540
	Direct labor	6,400
	Manufacturing overhead applied	2,640
	Total cost of Job A735	$9,580

c.	Total cost of Job A735 (a)	$9,580
	Number of units (b)	40
	Unit product cost (a) ÷ (b)	$239.50

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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260) Olmscheid Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Molding	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$21,000	$14,000	$35,000
Estimated variable manufacturing overhead cost per MH	$1.50	$2.40	

During the period, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$12,700	$6,400
Direct labor cost	$19,100	$7,900
Molding machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job F.
c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job K.
d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job F.
e. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job K.
f. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 30% on manufacturing cost to establish selling prices. Calculate the selling price for Job F.
g. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 30% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.
h. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. If both jobs were sold during the month, what was the company's cost of goods sold for the month?

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Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Molding

	Estimated fixed manufacturing overhead	$21,000
	Estimated variable manufacturing overhead ($1.50 per MH × 5,000 MHs)	7,500
	Estimated total manufacturing overhead cost	$28,500

Customizing

	Estimated fixed manufacturing overhead	$14,000
	Estimated variable manufacturing overhead ($2.40 per MH × 5,000 MHs)	12,000
	Estimated total manufacturing overhead cost	$26,000

The second step is to combine the estimated manufacturing overhead costs in the two departments ($28,500 + $26,000 = $54,500) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$54,500	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$5.45	per MH

b. The overhead applied to Job F is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.45 per MH × (3,400 MHs + 2,000 MHs)
= $5.45 per MH × (5,400 MHs)
= $29,430

c. The overhead applied to Job K is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.45 per MH × (1,600 MHs + 3,000 MHs)
= $5.45 per MH × (4,600 MHs)
= $25,070

d. Job F's manufacturing cost:

	Direct materials	$12,700
	Direct labor cost	19,100
	Manufacturing overhead applied	29,430
	Total manufacturing cost	$61,230

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e. Job K's manufacturing cost:

	Direct materials	$6,400
	Direct labor cost	7,900
	Manufacturing overhead applied	25,070
	Total manufacturing cost	$39,370

f. The selling price for Job F:

	Total manufacturing cost	$61,230
	Markup (30%)	18,369
	Selling price	$79,599

g. The selling price for Job K:

	Total manufacturing cost	$39,370
	Markup (30%)	11,811
	Selling price	$51,181

h.

	Total manufacturing cost assigned to Job F	$61,230
	Total manufacturing cost assigned to Job K	39,370
	Cost of goods sold	$100,600

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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261) Cardosa Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $308,000, and a variable manufacturing overhead rate of $2.10 per machine-hour. Job M556, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	100
	Direct materials	$555
	Direct labor cost	$2,700

Required:
a. Calculate the total job cost for Job M556.
b. Calculate the unit product cost for Job M556.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $308,000 + ($2.10 per machine-hour × 70,000 machine-hours) = $308,000 + $147,000 = $455,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $455,000 ÷ 70,000 machine-hours = $6.50 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.50 per machine-hour × 100 machine-hours = $650

	Direct materials	$555
	Direct labor	2,700
	Manufacturing overhead applied	650
	Total cost of Job M556	$3,905

b.	Total cost of Job M556 (a)	$3,905
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$78.10

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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262) Dietzen Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	4,000	6,000	10,000
Estimated total fixed manufacturing overhead cost	$18,000	$18,000	$36,000
Estimated variable manufacturing overhead cost per MH	$1.50	$2.30	

During the most recent month, the company started and completed two jobs—Job D and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job D	Job J
Direct materials	$14,300	$6,800
Direct labor cost	$21,700	$8,800
Casting machine-hours	2,700	1,300
Finishing machine-hours	2,400	3,600

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job D.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job J.

Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Casting

	Estimated fixed manufacturing overhead	$18,000
	Estimated variable manufacturing overhead ($1.50 per MH × 4,000 MHs)	6,000
	Estimated total manufacturing overhead cost	$24,000

Finishing

	Estimated fixed manufacturing overhead	$18,000
	Estimated variable manufacturing overhead ($2.30 per MH × 6,000 MHs)	13,800
	Estimated total manufacturing overhead cost	$31,800

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($24,000 + $31,800 = $55,800) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$55,800	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$5.58	per MH

The overhead applied to Job D is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.58 per MH × (2,700 MHs + 2,400 MHs)
= $5.58 per MH × (5,100 MHs)
= $28,458

Job D's manufacturing cost:

	Direct materials	$14,300
	Direct labor cost	21,700
	Manufacturing overhead applied	28,458
	Total manufacturing cost	$64,458

b. The overhead applied to Job J is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.58 per MH × (1,300 MHs + 3,600 MHs)
= $5.58 per MH × (4,900 MHs)
= $27,342

Job J's manufacturing cost:

	Direct materials	$6,800
	Direct labor cost	8,800
	Manufacturing overhead applied	27,342
	Total manufacturing cost	$42,942

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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263) Posson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 20,000 machine-hours, total fixed manufacturing overhead cost of $130,000, and a variable manufacturing overhead rate of $3.00 per machine-hour. Job K789, which was for 10 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	30
	Direct materials	$775
	Direct labor cost	$1,170

Required:
a. Calculate the predetermined overhead rate for the year.
b. Calculate the amount of overhead applied to Job K789.
c. Calculate the total job cost for Job K789.
d. Calculate the unit product cost for Job K789.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $130,000 + ($3.00 per machine-hour × 20,000 machine-hours) = $130,000 + $60,000 = $190,000
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $190,000 ÷ 20,000 machine-hours = $9.50 per machine-hour

b. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.50 per machine-hour × 30 machine-hours = $285

c.	Direct materials	$775
	Direct labor	1,170
	Manufacturing overhead applied	285
	Total cost of Job K789	$2,230

d.	Total cost of Job K789 (a)	$2,230
	Number of units (b)	10
	Unit product cost (a) ÷ (b)	$223.00

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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264) Rondo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	30,000
	Total fixed manufacturing overhead cost	$252,000
	Variable manufacturing overhead per machine-hour	$2.90

Recently Job T506 was completed with the following characteristics:

	Number of units in the job	70
	Total machine-hours	210
	Direct materials	$665
	Direct labor cost	$6,720

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job T506.
d. Calculate the total job cost for Job T506.
e. Calculate the unit product cost for Job T506.
f. Calculate the selling price for Job T506 if the company marks up its unit product costs by 20%.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $252,000 + ($2.90 per machine-hour × 30,000 machine-hours) = $252,000 + $87,000 = $339,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $339,000 ÷ 30,000 machine-hours = $11.30 per machine-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.30 per machine-hour × 210 machine-hours = $2,373

d.	Direct materials	$665
	Direct labor	6,720
	Manufacturing overhead applied	2,373
	Total cost of Job T506	$9,758

e.	Total cost of Job T506 (a)	$9,758
	Number of units (b)	70
	Unit product cost (a) ÷ (b)	$139.40

f.	Unit product cost for Job T506	$139.40
	Markup (20% × $139.40)	27.88
	Selling price	$167.28

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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265) Leadley Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total direct labor-hours	10,000
	Total fixed manufacturing overhead cost	$76,000
	Variable manufacturing overhead per direct labor-hour	$2.10

Recently Job X701 was completed with the following characteristics:

	Number of units in the job	90
	Total direct labor-hours	270
	Direct materials	$590
	Direct labor cost	$6,480

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X701.
d. Calculate the total job cost for Job X701.

Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $76,000 + ($2.10 per direct labor-hour × 10,000 direct labor-hours) = $76,000 + $21,000 = $97,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $97,000 ÷ 10,000 direct labor-hours = $9.70 per direct labor-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.70 per direct labor-hour × 270 direct labor-hours = $2,619

d.	Direct materials	$590
	Direct labor	6,480
	Manufacturing overhead applied	2,619
	Total cost of Job X701	$9,689

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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AICPA: BB Reflective Thinking; FN Measurement

266) Pasko Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	30,000
Total fixed manufacturing overhead cost	$258,000
Variable manufacturing overhead per direct labor-hour	$2.00

Recently Job P660 was completed with the following characteristics:

Number of units in the job	50
Total direct labor-hours	250
Direct materials	$645
Direct labor cost	$10,000

Required:
Calculate the selling price for Job P660 if the company marks up its unit product costs by 20%.

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Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $258,000 + ($2.00 per direct labor-hour × 30,000 direct labor-hours) = $258,000 + $60,000 = $318,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $318,000 ÷ 30,000 direct labor-hours = $10.60 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $10.60 per direct labor-hour × 250 direct labor-hours = $2,650

	Direct materials	$645
	Direct labor	10,000
	Manufacturing overhead applied	2,650
	Total cost of Job P660	$13,295

	Total cost of Job P660 (a)	$13,295
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$265.90

	Unit product cost for Job P660	$265.90
	Markup (20% × $265.90)	53.18
	Selling price	$319.08

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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267) Leeds Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$215,000
	Variable manufacturing overhead per machine-hour	$3.80

Recently Job T496 was completed with the following characteristics:

	Number of units in the job	80
	Total machine-hours	240
	Direct materials	$735
	Direct labor cost	$8,880

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job T496.
d. Calculate the total job cost for Job T496.
e. Calculate the unit product cost for Job T496.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $215,000 + ($3.80 per machine-hour × 50,000 machine-hours) = $215,000 + $190,000 = $405,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $405,000 ÷ 50,000 machine-hours = $8.10 per machine-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.10 per machine-hour × 240 machine-hours = $1,944

d.	Direct materials	$735
	Direct labor	8,880
	Manufacturing overhead applied	1,944
	Total cost of Job T496	$11,559

e.	Total cost of Job T496 (a)	$11,559
	Number of units (b)	80
	Unit product cost (a) ÷ (b)	$144.49

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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268) Petru Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	70,000
	Total fixed manufacturing overhead cost	$525,000
	Variable manufacturing overhead per machine-hour	$2.30

Recently Job P987 was completed with the following characteristics:

	Number of units in the job	20
	Total machine-hours	80
	Direct materials	$630
	Direct labor cost	$2,080

Required:
Calculate the unit product cost for Job P987.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $525,000 + ($2.30 per machine-hour × 70,000 machine-hours) = $525,000 + $161,000 = $686,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $686,000 ÷ 70,000 machine-hours = $9.80 per machine-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.80 per machine-hour × 80 machine-hours = $784

	Direct materials	$630
	Direct labor	2,080
	Manufacturing overhead applied	784
	Total cost of Job P987	$3,494

	Total cost of Job P987 (a)	$3,494
	Number of units (b)	20
	Unit product cost (a) ÷ (b)	$174.70

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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269) Franta Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 70,000 direct labor-hours, total fixed manufacturing overhead cost of $238,000, and a variable manufacturing overhead rate of $2.70 per direct labor-hour. Job P873, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	200
	Direct materials	$630
	Direct labor cost	$4,800

Required:
Calculate the unit product cost for Job P873.

Answer: Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $238,000 + ($2.70 per direct labor-hour × 70,000 direct labor-hours) = $238,000 + $189,000 = $427,000

Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $427,000 ÷ 70,000 direct labor-hours = $6.10 per direct labor-hour

Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $6.10 per direct labor-hour × 200 direct labor-hours = $1,220

	Direct materials	$630
	Direct labor	4,800
	Manufacturing overhead applied	1,220
	Total cost of Job P873	$6,650

	Total cost of Job P873 (a)	$6,650
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$133.00

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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270) Temby Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 10,000 machine-hours, total fixed manufacturing overhead cost of $88,000, and a variable manufacturing overhead rate of $3.20 per machine-hour. Job K418, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	150
	Direct materials	$580
	Direct labor cost	$3,900

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job K418.
d. Calculate the total job cost for Job K418.
e. Calculate the unit product cost for Job K418.
f. Calculate the selling price for Job K418 if the company marks up its unit product costs by 30%.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $88,000 + ($3.20 per machine-hour × 10,000 machine-hours) = $88,000 + $32,000 = $120,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $120,000 ÷ 10,000 machine-hours = $12.00 per machine-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.00 per machine-hour × 150 machine-hours = $1,800

d.	Direct materials	$580
	Direct labor	3,900
	Manufacturing overhead applied	1,800
	Total cost of Job K418	$6,280

e.	Total cost of Job K418 (a)	$6,280
	Number of units (b)	50
	Unit product cost (a) ÷ (b)	$125.60

f.	Unit product cost for Job K418	$125.60
	Markup (30% × $125.60)	37.68
	Selling price	$163.28

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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271) Saxon Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 10,000 machine-hours, total fixed manufacturing overhead cost of $91,000, and a variable manufacturing overhead rate of $2.40 per machine-hour. Job K373, which was for 60 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	120
	Direct materials	$645
	Direct labor cost	$3,720

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job K373.
d. Calculate the total job cost for Job K373.
e. Calculate the unit product cost for Job K373.

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Answer:
a. Estimated total manufacturing overhead cost = Estimated total fixed manufacturing overhead cost + (Estimated variable overhead cost per unit of the allocation base × Estimated total amount of the allocation base) = $91,000 + ($2.40 per machine-hour × 10,000 machine-hours) = $91,000 + $24,000 = $115,000

b. Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the allocation base = $115,000 ÷ 10,000 machine-hours = $11.50 per machine-hour

c. Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.50 per machine-hour × 120 machine-hours = $1,380

d.	Direct materials	$645
	Direct labor	3,720
	Manufacturing overhead applied	1,380
	Total cost of Job K373	$5,745

e.	Total cost of Job K373 (a)	$5,745
	Number of units (b)	60
	Unit product cost (a) ÷ (b)	$95.75

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
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272) Kluth Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

		Molding	Customizing	Total
	Estimated total machine-hours (MHs)	3,000	2,000	5,000
	Estimated total fixed manufacturing overhead cost	$15,900	$4,200	$20,100
	Estimated variable manufacturing overhead cost per MH	$1.20	$2.40	

During the most recent month, the company started and completed two jobs—Job C and Job M. There were no beginning inventories. Data concerning those two jobs follow:

		Job C	Job M
	Direct materials	$15,600	$8,600
	Direct labor cost	$25,100	$8,300
	Molding machine-hours	2,000	1,000
	Customizing machine-hours	800	1,200

Required:
Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 20% on manufacturing cost to establish selling prices. Calculate the selling prices for Job C and for Job M.

Answer:
Molding Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$15,900	
Estimated variable manufacturing overhead ($1.20 per MH × 3,000 MHs)	3,600	
Estimated total manufacturing overhead cost (a)	$19,500	
Estimated total machine-hours (b)	3,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$6.50	per MH

Customizing Department predetermined overhead rate:

Estimated fixed manufacturing overhead	$4,200	
Estimated variable manufacturing overhead ($2.40 per MH × 2,000 MHs)	4,800	
Estimated total manufacturing overhead cost (a)	$9,000	
Estimated total machine-hours (b)	2,000	MHs
Departmental predetermined overhead rate (a) ÷ (b)	$4.50	per MH

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Manufacturing overhead applied to Job C:

	Molding ($6.50 per MH × 2,000 MHs)	$13,000
	Customizing ($4.50 per MH × 800 MHs)	3,600
	Total manufacturing overhead applied	$16,600

Manufacturing overhead applied to Job M:

	Molding ($6.50 per MH × 1,000 MHs)	$6,500
	Customizing ($4.50 per MH × 1,200 MHs)	5,400
	Total manufacturing overhead applied	$11,900

The selling price for Job C would be calculated as follows:

	Direct materials	$15,600
	Direct labor cost	25,100
	Manufacturing overhead applied	16,600
	Total manufacturing cost	$57,300
	Markup (20%)	11,460
	Selling price	$68,760

The selling price for Job M would be calculated as follows:

	Direct materials	$8,600
	Direct labor cost	8,300
	Manufacturing overhead applied	11,900
	Total manufacturing cost	$28,800
	Markup (20%)	5,760
	Selling price	$34,560

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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273) Amason Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Assembly
	Machine-hours	16,000	11,000
	Direct labor-hours	2,000	6,000
	Total fixed manufacturing overhead cost	$102,400	$66,000
	Variable manufacturing overhead per machine-hour	$1.90	
	Variable manufacturing overhead per direct labor-hour		$3.80

During the current month the company started and finished Job A950. The following data were recorded for this job:

	Job A950:	Forming	Assembly
	Machine-hours	50	20
	Direct labor-hours	20	40
	Direct materials	$665	$415
	Direct labor cost	$520	$1,040

Required:
Calculate the selling price for Job A950 if the company marks up its unit product costs by 30% to determine selling prices.

Answer:
Forming Department:
Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $102,400 + ($1.90 per machine-hour × 16,000 machine-hours)
= $102,400 +$30,400 = $132,800
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $132,800 ÷ 16,000 machine-hours = $8.30 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.30 per machine-hour × 50 machine-hours = $415

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Assembly Department:
Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $66,000 + ($3.80 per direct labor-hour × 6,000 direct labor-hours)
= $66,000 + $22,800 = $88,800
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $88,800 ÷6,000 direct labor-hours = $14.80 per direct labor-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.80 per direct labor-hour × 40 direct labor-hours = $592

Overhead applied to Job A950

	Forming Department	$415
	Assembly Department	592
	Total	$1,007

		Forming	Assembly	Total
	Direct materials	$665	$415	$1,080
	Direct labor	$520	$1,040	1,560
	Manufacturing overhead applied	$415	$592	1,007
	Total cost of Job A950			$3,647

	Total cost of Job A950	$3,647.00
	Markup ($3,647.00 × 30%)	1,094.10
	Selling price	$4,741.10

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Evaluate
AACSB: Analytical Thinking
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274) Dancel Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Milling	Finishing
	Machine-hours	17,000	14,000
	Direct labor-hours	1,000	6,000
	Total fixed manufacturing overhead cost	$91,800	$64,200
	Variable manufacturing overhead per machine-hour	$2.00	
	Variable manufacturing overhead per direct labor-hour		$3.40

During the current month the company started and finished Job M565. The following data were recorded for this job:

	Job M565:	Milling	Finishing
	Machine-hours	70	20
	Direct labor-hours	10	40
	Direct materials	$750	$360
	Direct labor cost	$340	$1,360

Required:
a. Calculate the total amount of overhead applied to Job M565 in both departments.
b. Calculate the total job cost for Job M565.
c. Calculate the selling price for Job M565 if the company marks up its unit product costs by 20% to determine selling prices.

Answer:
a. Milling Department:
Milling Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $91,800 + ($2.00 per machine-hour × 17,000 machine-hours)
= $91,800 +$34,000 = $125,800
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $125,800 ÷ 17,000 machine-hours = $7.40 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.40 per machine-hour × 70 machine-hours = $518

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Finishing Department:
Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $64,200 + ($3.40 per direct labor-hour × 6,000 direct labor-hours)
= $64,200 + $20,400 = $84,600
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $84,600 ÷6,000 direct labor-hours = $14.10 per direct labor-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.10 per direct labor-hour × 40 direct labor-hours = $564

Overhead applied to Job M565

	Milling Department	$518
	Finishing Department	564
	Total	$1,082

b.

		Milling	Finishing	Total
	Direct materials	$750	$360	$1,110
	Direct labor	$340	$1,360	1,700
	Manufacturing overhead applied	$518	$564	1,082
	Total cost of Job M565			$3,892

c.

	Total cost of Job M565	$3,892.00
	Markup ($3,892.00 × 20%)	778.40
	Selling price	$4,670.40

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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275) Pangle Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Customizing
	Machine-hours	16,000	12,000
	Direct labor-hours	4,000	9,000
	Total fixed manufacturing overhead cost	$91,200	$99,000
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job M109. The following data were recorded for this job:

	Job M109:	Forming	Customizing
	Machine-hours	50	30
	Direct labor-hours	20	50
	Direct materials	$915	$355
	Direct labor cost	$620	$1,550

Required:
Calculate the total job cost for Job M109.

Answer:
Forming Department:
Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $91,200 + ($2.10 per machine-hour × 16,000 machine-hours)
= $91,200 +$33,600 = $124,800
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $124,800 ÷ 16,000 machine-hours = $7.80 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.80 per machine-hour × 50 machine-hours = $390

Customizing Department:
Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $99,000 + ($3.10 per direct labor-hour × 9,000 direct labor-hours)
= $99,000 + $27,900 = $126,900
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $126,900 ÷9,000 direct labor-hours = $14.10 per direct labor-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.10 per direct labor-hour × 50 direct labor-hours = $705

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Overhead applied to Job M109

	Forming Department	$390
	Customizing Department	705
	Total	$1,095

		Forming	Customizing	Total
	Direct materials	$915	$355	$1,270
	Direct labor	$620	$1,550	2,170
	Manufacturing overhead applied	$390	$705	1,095
	Total cost of Job M109			$4,535

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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276) Vasilopoulos Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Assembly
	Machine-hours	17,000	11,000
	Direct labor-hours	3,000	6,000
	Total fixed manufacturing overhead cost	$119,000	$51,000
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job A182. The following data were recorded for this job:

	Job A182:	Casting	Assembly
	Machine-hours	50	20
	Direct labor-hours	10	50
	Direct materials	$895	$365
	Direct labor cost	$240	$1,200

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the estimated total manufacturing overhead for the Assembly Department.
c. Calculate the predetermined overhead rate for the Casting Department.
d. Calculate the predetermined overhead rate for the Assembly Department.
e. Calculate the total amount of overhead applied to Job A182 in both departments.
f. Calculate the total job cost for Job A182.
g. Calculate the selling price for Job A182 if the company marks up its unit product costs by 20% to determine selling prices.

Answer:
a. Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $119,000 + ($2.10 per machine-hour × 17,000 machine-hours)
= $119,000 +$35,700 = $154,700

b. Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $51,000 + ($3.10 per direct labor-hour × 6,000 direct labor-hours)
= $51,000 + $18,600 = $69,600

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c. Casting Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $154,700 ÷ 17,000 machine-hours = $9.10 per machine-hour

d. Assembly Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $69,600 ÷6,000 direct labor-hours = $11.60 per direct labor-hour

e. Casting Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.10 per machine-hour × 50 machine-hours = $455
Assembly Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $11.60 per direct labor-hour × 50 direct labor-hours = $580

Overhead applied to Job A182

	Casting Department	$455
	Assembly Department	580
	Total	$1,035

f.

		Casting	Assembly	Total
	Direct materials	$895	$365	$1,260
	Direct labor	$240	$1,200	1,440
	Manufacturing overhead applied	$455	$580	1,035
	Total cost of Job A182			$3,735

g.

	Total cost of Job A182	$3,735.00
	Markup ($3,735.00 × 20%)	747.00
	Selling price	$4,482.00

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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277) Hultquist Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

		Forming	Customizing	Total
	Estimated total machine-hours (MHs)	9,000	1,000	10,000
	Estimated total fixed manufacturing overhead cost	$50,400	$2,600	$53,000
	Estimated variable manufacturing overhead cost per MH	$1.70	$2.10	

During the period, the company started and completed two jobs—Job C and Job L. Data concerning those two jobs follow:

		Job C	Job L
	Direct materials	$15,100	$6,900
	Direct labor cost	$20,800	$8,500
	Forming machine-hours	6,100	2,900
	Customizing machine-hours	400	600

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job L.

c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job L.

d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job L.

e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Forming department?

f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Customizing department?

g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job L?

h. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job L.

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Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Forming

	Estimated fixed manufacturing overhead	$50,400
	Estimated variable manufacturing overhead ($1.70 per MH × 9,000 MHs)	15,300
	Estimated total manufacturing overhead cost	$65,700

Customizing

	Estimated fixed manufacturing overhead	$2,600
	Estimated variable manufacturing overhead ($2.10 per MH × 1,000 MHs)	2,100
	Estimated total manufacturing overhead cost	$4,700

The second step is to combine the estimated manufacturing overhead costs in the two departments ($65,700 + $4,700 = $70,400) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$70,400	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$7.04	per MH

b. The overhead applied to Job L is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $7.04 per MH × (2,900 MHs + 600 MHs)
= $7.04 per MH × (3,500 MHs)
= $24,640

c. Job L's manufacturing cost:

	Direct materials	$6,900
	Direct labor cost	8,500
	Manufacturing overhead applied	24,640
	Total manufacturing cost	$40,040

d. The selling price for Job L:

	Total manufacturing cost	$40,040
	Markup (80%)	32,032
	Selling price	$72,072

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e. Forming Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$50,400	
	Estimated variable manufacturing overhead ($1.70 per MH × 9,000 MHs)	15,300	
	Estimated total manufacturing overhead cost (a)	$65,700	
	Estimated total machine-hours (b)	9,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$7.30	per MH

f. Customizing Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$2,600	
	Estimated variable manufacturing overhead ($2.10 per MH × 1,000 MHs)	2,100	
	Estimated total manufacturing overhead cost (a)	$4,700	
	Estimated total machine-hours (b)	1,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$4.70	per MH

g. Manufacturing overhead applied to Job L:

	Forming ($7.30 per MH × 2,900 MHs)	$21,170
	Customizing ($4.70 per MH × 600 MHs)	2,820
	Total manufacturing overhead applied	$23,990

h. The selling price for Job L would be calculated as follows:

	Direct materials	$6,900
	Direct labor cost	8,500
	Manufacturing overhead applied	23,990
	Total manufacturing cost	$39,390
	Markup (80%)	31,512
	Selling price	$70,902

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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278) Carcana Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$4,200	$8,800	$13,000
Estimated variable manufacturing overhead cost per MH	$1.90	$2.90	

During the period, the company started and completed two jobs—Job E and Job G. Data concerning those two jobs follow:

	Job E	Job G
Direct materials	$11,800	$8,000
Direct labor cost	$19,200	$6,700
Machining machine-hours	700	300
Finishing machine-hours	1,600	2,400

Required:

a. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Machining department?

b. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Finishing department?

c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job E?

d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job G?

e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job G.

g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. If both jobs were sold during the month, what was the company's cost of goods sold for the month?

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Answer:

a. Machining Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$4,200	
	Estimated variable manufacturing overhead ($1.90 per MH × 1,000 MHs)	1,900	
	Estimated total manufacturing overhead cost (a)	$6,100	
	Estimated total machine-hours (b)	1,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$6.10	per MH

b. Finishing Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$8,800	
	Estimated variable manufacturing overhead ($2.90 per MH × 4,000 MHs)	11,600	
	Estimated total manufacturing overhead cost (a)	$20,400	
	Estimated total machine-hours (b)	4,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$5.10	per MH

c. Manufacturing overhead applied to Job E:

	Machining ($6.10 per MH × 700 MHs)	$4,270
	Finishing ($5.10 per MH × 1,600 MHs)	8,160
	Total manufacturing overhead applied	$12,430

d. Manufacturing overhead applied to Job G:

	Machining ($6.10 per MH × 300 MHs)	$1,830
	Finishing ($5.10 per MH × 2,400 MHs)	12,240
	Total manufacturing overhead applied	$14,070

e. The selling price for Job E would be calculated as follows:

	Direct materials	$11,800
	Direct labor cost	19,200
	Manufacturing overhead applied	12,430
	Total manufacturing cost	$43,430
	Markup (80%)	34,744
	Selling price	$78,174

f. The selling price for Job G would be calculated as follows:

	Direct materials	$8,000
	Direct labor cost	6,700
	Manufacturing overhead applied	14,070
	Total manufacturing cost	$28,770
	Markup (80%)	23,016
	Selling price	$51,786

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g.

	Total manufacturing cost Job E	$43,430
	Total manufacturing cost Job G	28,770
	Cost of goods sold	$72,200

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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279) Braegelmann Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Assembly
	Machine-hours	20,000	14,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$110,000	$65,400
	Variable manufacturing overhead per machine-hour	$1.60	
	Variable manufacturing overhead per direct labor-hour		$4.50

During the current month the company started and finished Job K246. The following data were recorded for this job:

	Job K246:	Casting	Assembly
	Machine-hours	60	30
	Direct labor-hours	20	40
	Direct materials	$950	$305
	Direct labor cost	$460	$920

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the estimated total manufacturing overhead for the Assembly Department.
c. Calculate the predetermined overhead rate for the Casting Department.
d. Calculate the predetermined overhead rate for the Assembly Department.
e. Calculate the amount of overhead applied in the Casting Department to Job K246.
f. Calculate the amount of overhead applied in the Assembly Department to Job K246.
g. Calculate the total job cost for Job K246.
h. Calculate the selling price for Job K246 if the company marks up its unit product costs by 40% to determine selling prices.

Answer:
a. Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $110,000 + ($1.60 per machine-hour × 20,000 machine-hours)
= $110,000 +$32,000 = $142,000

b. Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $65,400 + ($4.50 per direct labor-hour × 6,000 direct labor-hours)
= $65,400 + $27,000 = $92,400

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c. Casting Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $142,000 ÷ 20,000 machine-hours = $7.10 per machine-hour

d. Assembly Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $92,400 ÷6,000 direct labor-hours = $15.40 per direct labor-hour

e. Casting Department:
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.10 per machine-hour × 60 machine-hours = $426

f. Assembly Department:
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $15.40 per direct labor-hour × 40 direct labor-hours = $616

g.

		Casting	Assembly	Total
	Direct materials	$950	$305	$1,255
	Direct labor	$460	$920	1,380
	Manufacturing overhead applied	$426	$616	1,042
	Total cost of Job K246			$3,677

h.

	Total cost of Job K246	$3,677.00
	Markup ($3,677.00 × 40%)	1,470.80
	Selling price	$5,147.80

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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280) Matrejek Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

		Forming	Customizing	Total
	Estimated total machine-hours (MHs)	8,000	2,000	10,000
	Estimated total fixed manufacturing overhead cost	$36,800	$4,800	$41,600
	Estimated variable manufacturing overhead cost per MH	$1.60	$2.90	

During the most recent month, the company started and completed two jobs—Job D and Job K. There were no beginning inventories. Data concerning those two jobs follow:

		Job D	Job K
	Direct materials	$15,600	$6,900
	Direct labor cost	$19,100	$8,700
	Forming machine-hours	5,400	2,600
	Customizing machine-hours	800	1,200

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job D.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.

c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job D.

d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.

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Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Forming

	Estimated fixed manufacturing overhead	$36,800
	Estimated variable manufacturing overhead ($1.60 per MH × 8,000 MHs)	12,800
	Estimated total manufacturing overhead cost	$49,600

Customizing

	Estimated fixed manufacturing overhead	$4,800
	Estimated variable manufacturing overhead ($2.90 per MH × 2,000 MHs)	5,800
	Estimated total manufacturing overhead cost	$10,600

The second step is to combine the estimated manufacturing overhead costs in the two departments ($49,600 + $10,600 = $60,200) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$60,200	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$6.02	per MH

The overhead applied to Job D is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.02 per MH × (5,400 MHs + 800 MHs)
= $6.02 per MH × (6,200 MHs)
= $37,324

The selling price for Job D:

	Direct materials	$15,600
	Direct labor cost	19,100
	Manufacturing overhead applied	37,324
	Total manufacturing cost	$72,024
	Markup (50%)	36,012
	Selling price	$108,036

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b. The overhead applied to Job K is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.02 per MH × (2,600 MHs + 1,200 MHs)
= $6.02 per MH × (3,800 MHs)
= $22,876

Job K's manufacturing cost:

	Direct materials	$6,900
	Direct labor cost	8,700
	Manufacturing overhead applied	22,876
	Total manufacturing cost	$38,476

The selling price for Job K:

	Total manufacturing cost	$38,476
	Markup (50%)	19,238
	Selling price	$57,714

c. Forming Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$36,800	
	Estimated variable manufacturing overhead ($1.60 per MH × 8,000 MHs)	12,800	
	Estimated total manufacturing overhead cost (a)	$49,600	
	Estimated total machine-hours (b)	8,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$6.20	per MH

Customizing Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$4,800	
	Estimated variable manufacturing overhead ($2.90 per MH × 2,000 MHs)	5,800	
	Estimated total manufacturing overhead cost (a)	$10,600	
	Estimated total machine-hours (b)	2,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$5.30	per MH

Manufacturing overhead applied to Job D:

	Forming ($6.20 per MH × 5,400 MHs)	$33,480
	Customizing ($5.30 per MH × 800 MHs)	4,240
	Total manufacturing overhead applied	$37,720

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The selling price for Job D would be calculated as follows:

Direct materials	$15,600
Direct labor cost	19,100
Manufacturing overhead applied	37,720
Total manufacturing cost	$72,420
Markup (50%)	36,210
Selling price	$108,630

d. Manufacturing overhead applied to Job K:

Forming ($6.20 per MH × 2,600 MHs)	$16,120
Customizing ($5.30 per MH × 1,200 MHs)	6,360
Total manufacturing overhead applied	$22,480

The selling price for Job K would be calculated as follows:

Direct materials	$6,900
Direct labor cost	8,700
Manufacturing overhead applied	22,480
Total manufacturing cost	$38,080
Markup (50%)	19,040
Selling price	$57,120

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Evaluate
AACSB: Analytical Thinking
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281) Harnett Corporation has two manufacturing departments—Molding and Assembly. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Molding	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$29,000	$13,500	$42,500
Estimated variable manufacturing overhead cost per MH	$1.20	$2.30	

During the period, the company started and completed two jobs—Job E and Job M. Data concerning those two jobs follow:

	Job E	Job M
Direct materials	$14,300	$9,400
Direct labor cost	$22,800	$8,900
Molding machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job E.

c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job E.

d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 60% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Molding department?

f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Assembly department?

g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job E?

h. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 60% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

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Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Molding

	Estimated fixed manufacturing overhead	$29,000
	Estimated variable manufacturing overhead ($1.20 per MH × 5,000 MHs)	6,000
	Estimated total manufacturing overhead cost	$35,000

Assembly

	Estimated fixed manufacturing overhead	$13,500
	Estimated variable manufacturing overhead ($2.30 per MH × 5,000 MHs)	11,500
	Estimated total manufacturing overhead cost	$25,000

The second step is to combine the estimated manufacturing overhead costs in the two departments ($35,000 + $25,000 = $60,000) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$60,000	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$6.00	per MH

b. The overhead applied to Job E is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.00 per MH × (3,400 MHs + 2,000 MHs)
= $6.00 per MH × (5,400 MHs)
= $32,400

c. Job E's manufacturing cost:

	Direct materials	$14,300
	Direct labor cost	22,800
	Manufacturing overhead applied	32,400
	Total manufacturing cost	$69,500

d. The selling price for Job E:

	Total manufacturing cost	$69,500
	Markup (60%)	41,700
	Selling price	$111,200

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e. Molding Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$29,000	
	Estimated variable manufacturing overhead ($1.20 per MH × 5,000 MHs)	6,000	
	Estimated total manufacturing overhead cost (a)	$35,000	
	Estimated total machine-hours (b)	5,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$7.00	per MH

f. Assembly Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$13,500	
	Estimated variable manufacturing overhead ($2.30 per MH × 5,000 MHs)	11,500	
	Estimated total manufacturing overhead cost (a)	$25,000	
	Estimated total machine-hours (b)	5,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$5.00	per MH

g. Manufacturing overhead applied to Job E:

	Molding ($7.00 per MH × 3,400 MHs)	$23,800
	Assembly ($5.00 per MH × 2,000 MHs)	10,000
	Total manufacturing overhead applied	$33,800

h. The selling price for Job E would be calculated as follows:

	Direct materials	$14,300
	Direct labor cost	22,800
	Manufacturing overhead applied	33,800
	Total manufacturing cost	$70,900
	Markup (60%)	42,540
	Selling price	$113,440

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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282) Bulla Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Machining	Customizing
	Machine-hours	19,000	13,000
	Direct labor-hours	2,000	9,000
	Total fixed manufacturing overhead cost	$98,800	$84,600
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.60

During the current month the company started and finished Job K369. The following data were recorded for this job:

	Job K369:	Machining	Customizing
	Machine-hours	90	10
	Direct labor-hours	20	50

Required:
Calculate the total amount of overhead applied to Job K369 in both departments.

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Answer:
Machining Department:
Machining Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $98,800 + ($2.10 per machine-hour × 19,000 machine-hours)
= $98,800 +$39,900 = $138,700
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $138,700 ÷ 19,000 machine-hours = $7.30 per machine-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $7.30 per machine-hour × 90 machine-hours = $657

Customizing Department:
Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $84,600 + ($3.60 per direct labor-hour × 9,000 direct labor-hours)
= $84,600 + $32,400 = $117,000
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $117,000 ÷9,000 direct labor-hours = $13.00 per direct labor-hour
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.00 per direct labor-hour × 50 direct labor-hours = $650

Overhead applied to Job K369

	Machining Department	$657
	Customizing Department	650
	Total	$1,307

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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283) Bierce Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$20,000	$2,100	$22,100
Estimated variable manufacturing overhead cost per MH	$1.40	$2.80	

During the most recent month, the company started and completed two jobs—Job B and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job K
Direct materials	$12,800	$7,900
Direct labor cost	$24,700	$6,400
Machining machine-hours	2,700	1,300
Finishing machine-hours	400	600

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job B.
c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job K.
d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Machining department?
e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Finishing department?
f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job B?
g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job K?

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Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Machining

	Estimated fixed manufacturing overhead	$20,000
	Estimated variable manufacturing overhead ($1.40 per MH × 4,000 MHs)	5,600
	Estimated total manufacturing overhead cost	$25,600

Finishing

	Estimated fixed manufacturing overhead	$2,100
	Estimated variable manufacturing overhead ($2.80 per MH × 1,000 MHs)	2,800
	Estimated total manufacturing overhead cost	$4,900

The second step is to combine the estimated manufacturing overhead costs in the two departments ($25,600 + $4,900 = $30,500) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$30,500	
	Estimated total machine hours	5,000	MHs
	Predetermined overhead rate	$6.10	per MH

b. The overhead applied to Job B is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.10 per MH × (2,700 MHs + 400 MHs)
= $6.10 per MH × (3,100 MHs)
= $18,910

c. The overhead applied to Job K is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $6.10 per MH × (1,300 MHs + 600 MHs)
= $6.10 per MH × (1,900 MHs)
= $11,590

d. Machining Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$20,000	
	Estimated variable manufacturing overhead ($1.40 per MH × 4,000 MHs)	5,600	
	Estimated total manufacturing overhead cost (a)	$25,600	
	Estimated total machine-hours (b)	4,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$6.40	per MH

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e. Finishing Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$2,100	
	Estimated variable manufacturing overhead ($2.80 per MH × 1,000 MHs)	2,800	
	Estimated total manufacturing overhead cost (a)	$4,900	
	Estimated total machine-hours (b)	1,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$4.90	per MH

f. Manufacturing overhead applied to Job B:

	Machining ($6.40 per MH × 2,700 MHs)	$17,280
	Finishing ($4.90 per MH × 400 MHs)	1,960
	Total manufacturing overhead applied	$19,240

g. Manufacturing overhead applied to Job K:

	Machining ($6.40 per MH × 1,300 MHs)	$8,320
	Finishing ($4.90 per MH × 600 MHs)	2,940
	Total manufacturing overhead applied	$11,260

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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284) Gercak Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Assembly
	Machine-hours	16,000	11,000
	Direct labor-hours	2,000	7,000
	Total fixed manufacturing overhead cost	$100,800	$76,300
	Variable manufacturing overhead per machine-hour	$1.70	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job X560. The following data were recorded for this job:

	Job X560:	Forming	Assembly
	Machine-hours	50	30
	Direct labor-hours	30	40

Required:
a. Calculate the estimated total manufacturing overhead for the Assembly Department.
b. Calculate the predetermined overhead rate for the Forming Department.
c. Calculate the total amount of overhead applied to Job X560 in both departments.

Answer:
a. Assembly Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $76,300 + ($3.10 per direct labor-hour × 7,000 direct labor-hours)
= $76,300 + $21,700 = $98,000

b. Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $100,800 + ($1.70 per machine-hour × 16,000 machine-hours)
= $100,800 +$27,200 = $128,000
Forming Department: Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $128,000 ÷ 16,000 machine-hours = $8.00 per machine-hour

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c. Forming Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.00 per machine-hour × 50 machine-hours = $400
Assembly Department: Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $98,000 ÷7,000 direct labor-hours = $14.00 per direct labor-hour
Assembly Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $14.00 per direct labor-hour × 40 direct labor-hours = $560

Overhead applied to Job X560

	Forming Department	$400
	Assembly Department	560
	Total	$960

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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285) Sonneborn Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$5,100	$23,400	$28,500
Estimated variable manufacturing overhead cost per MH	$1.50	$2.50	

During the most recent month, the company started and completed two jobs—Job D and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job D	Job G
Direct materials	$14,700	$9,100
Direct labor cost	$18,800	$8,300
Molding machine-hours	700	300
Customizing machine-hours	3,600	5,400

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job D.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job G.
c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job D?
d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job G?

Answer:
a. The first step is to calculate the estimated total overhead costs in the two departments.

Molding

Estimated fixed manufacturing overhead	$5,100
Estimated variable manufacturing overhead ($1.50 per MH × 1,000 MHs)	1,500
Estimated total manufacturing overhead cost	$6,600

Customizing

Estimated fixed manufacturing overhead	$23,400
Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500
Estimated total manufacturing overhead cost	$45,900

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The second step is to combine the estimated manufacturing overhead costs in the two departments ($6,600 + $45,900 = $52,500) to calculate the plantwide predetermined overhead rate as follow:

	Estimated total manufacturing overhead cost	$52,500	
	Estimated total machine hours	10,000	MHs
	Predetermined overhead rate	$5.25	per MH

The overhead applied to Job D is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.25 per MH × (700 MHs + 3,600 MHs)
= $5.25 per MH × (4,300 MHs)
= $22,575

b. The overhead applied to Job G is calculated as follows:
Overhead applied to a particular job = Predetermined overhead rate × Machine-hours incurred by the job
= $5.25 per MH × (300 MHs + 5,400 MHs)
= $5.25 per MH × (5,700 MHs)
= $29,925

c. Molding Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$5,100	
	Estimated variable manufacturing overhead ($1.50 per MH × 1,000 MHs)	1,500	
	Estimated total manufacturing overhead cost (a)	$6,600	
	Estimated total machine-hours (b)	1,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$6.60	per MH

Customizing Department predetermined overhead rate:

	Estimated fixed manufacturing overhead	$23,400	
	Estimated variable manufacturing overhead ($2.50 per MH × 9,000 MHs)	22,500	
	Estimated total manufacturing overhead cost (a)	$45,900	
	Estimated total machine-hours (b)	9,000	MHs
	Departmental predetermined overhead rate (a) ÷ (b)	$5.10	per MH

Manufacturing overhead applied to Job D:

	Molding ($6.60 per MH × 700 MHs)	$4,620
	Customizing ($5.10 per MH × 3,600 MHs)	18,360
	Total manufacturing overhead applied	$22,980

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d. Manufacturing overhead applied to Job G:

	Molding ($6.60 per MH × 300 MHs)	$1,980
	Customizing ($5.10 per MH × 5,400 MHs)	27,540
	Total manufacturing overhead applied	$29,520

Difficulty: 2 Medium
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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286) Rocher Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Finishing
	Machine-hours	17,000	13,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$124,100	$52,200
	Variable manufacturing overhead per machine-hour	$2.30	
	Variable manufacturing overhead per direct labor-hour		$4.00

During the current month the company started and finished Job A394. The following data were recorded for this job:

	Job A394:	Casting	Finishing
	Machine-hours	80	20
	Direct labor-hours	10	40

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the predetermined overhead rate for the Casting Department.
c. Calculate the amount of overhead applied in the Casting Department to Job A394.

Answer:
a. Casting Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $124,100 + ($2.30 per machine-hour × 17,000 machine-hours)
= $124,100 +$39,100 = $163,200

b. Casting Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $163,200 ÷ 17,000 machine-hours = $9.60 per machine-hour

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c. Casting Department:
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $9.60 per machine-hour × 80 machine-hours = $768
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
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287) Marius Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Finishing
	Machine-hours	18,000	12,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$118,800	$57,600
	Variable manufacturing overhead per machine-hour	$2.20	
	Variable manufacturing overhead per direct labor-hour		$4.00

During the current month the company started and finished Job K895. The following data were recorded for this job:

	Job K895:	Casting	Finishing
	Machine-hours	70	30
	Direct labor-hours	20	60

Required:
a. Calculate the estimated total manufacturing overhead for the Finishing Department.
b. Calculate the predetermined overhead rate for the Finishing Department.
c. Calculate the amount of overhead applied in the Finishing Department to Job K895.

Answer:
a. Finishing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $57,600 + ($4.00 per direct labor-hour × 6,000 direct labor-hours)
= $57,600 + $24,000 = $81,600

b. Finishing Department:
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $81,600 ÷6,000 direct labor-hours = $13.60 per direct labor-hour

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c. Finishing Department:
Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $13.60 per direct labor-hour × 60 direct labor-hours = $816
Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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288) Madole Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Customizing
	Machine-hours	19,000	12,000
	Direct labor-hours	4,000	8,000
	Total fixed manufacturing overhead cost	$119,700	$67,200
	Variable manufacturing overhead per machine-hour	$2.00	
	Variable manufacturing overhead per direct labor-hour		$4.20

During the current month the company started and finished Job K973. The following data were recorded for this job:

	Job K973:	Forming	Customizing
	Machine-hours	50	20
	Direct labor-hours	20	50

Required:
a. Calculate the estimated total manufacturing overhead for the Forming Department.
b. Calculate the predetermined overhead rate for the Customizing Department.
c. Calculate the total overhead applied to Job K973 in both departments.

Answer:
a. Forming Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per machine-hour × Total machine-hours in the department)
= $119,700 + ($2.00 per machine-hour × 19,000 machine-hours)
= $119,700 +$38,000 = $157,700

b. Customizing Department overhead cost = Fixed manufacturing overhead cost + (Variable overhead cost per direct labor-hour × Total direct labor-hours in the department)
= $67,200 + ($4.20 per direct labor-hour × 8,000 direct labor-hours)
= $67,200 + $33,600 = $100,800
Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $100,800 ÷8,000 direct labor-hours = $12.60 per direct labor-hour

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c. Forming Department: Predetermined overhead rate = Estimated total manufacturing overhead cost ÷ Estimated total amount of the = $157,700 ÷ 19,000 machine-hours = $8.30 per machine-hour

Forming Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $8.30 per machine-hour × 50 machine-hours = $415

Customizing Department: Overhead applied to a particular job = Predetermined overhead rate × Amount of the allocation base incurred by the job = $12.60 per direct labor-hour × 50 direct labor-hours = $630

Overhead applied to Job K973

	Forming Department	$415
	Customizing Department	630
	Total	$1,045

Difficulty: 1 Easy
Topic: Computing Predetermined Overhead Rates; Applying Manufacturing Overhead; Job-Order Costing Using Multiple Predetermined Overhead Rates
Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-04 Compute the total cost and the unit product cost of a job using multiple predetermined overhead rates.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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289) Sullen Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

	Predetermined overhead rate	$14.30	per machine-hour
	Estimated total fixed manufacturing overhead from the beginning of the year	$572,000	
	Estimated activity level from the beginning of the year	40,000	machine-hours
	Actual total fixed manufacturing overhead	$605,000	
	Actual activity level	36,700	machine-hours

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

Answer:

	Predetermined overhead rate (a)	$14.30	per machine-hour
	Actual activity level (b)	36,700	machine-hours
	Manufacturing overhead applied (a) × (b)	$524,810	

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
AICPA: BB Reflective Thinking; FN Measurement

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290) Levi Corporation uses a predetermined overhead rate of $23.40 per direct labor-hour. This predetermined overhead rate was based on estimated total fixed manufacturing overhead of $702,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $738,000 and 27,100 total direct labor-hours during the period.

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

Answer:

Predetermined overhead rate (a)	$23.40	per direct labor-hour
Actual activity level (b)	27,100	direct labor-hours
Manufacturing overhead applied (a) × (b)	$634,140	

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.
Bloom's: Evaluate
AACSB: Analytical Thinking
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291) Job 243 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 48,870	
Direct labor-hours	405	labor-hours
Direct labor wage rate	$ 13	per labor-hour
Machine-hours	486	machine-hours
Number of units completed	2,700	units

The company applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $11 per machine-hour.

Required:

Compute the unit product cost that would appear on the job cost sheet for this job.

Answer:
Cost Summary

Direct materials	$ 48,870
Direct labor ($13 per DLH × 405 DLHs)	5,265
Manufacturing overhead ($11 per MH × 486 MHs)	5,346
Total product cost	$ 59,481
Unit product cost	$ 22.03

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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292) Job 652 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 59,400	
Direct labor-hours	1,224	DLHs
Direct labor wage rate	$ 15	per DLH
Number of units completed	3,600	units

The company applies manufacturing overhead on the basis of direct labor-hours. The predetermined overhead rate is $35 per direct labor-hour.

Required:
Compute the unit product cost that would appear on the job cost sheet for this job.

Answer:
Cost Summary

Direct materials	$ 59,400
Direct labor ($15 per DLH × 1,224 DLHs)	18,360
Manufacturing overhead ($35 per DLH × 1,224 DLHs)	42,840
Total product cost	$ 120,600
Unit product cost	$ 33.50

Difficulty: 1 Easy
Topic: Applying Manufacturing Overhead; Computation of Total Job Costs and Unit Product Costs
Learning Objective: 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
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Introduction to Managerial Accounting, 8e **(Brewer)**
Chapter 2 Job-Order Costing: Calculating Unit Product Costs

1) A cost driver is a factor, such as machine-hours, beds occupied, computer time, or flight-hours, that causes direct costs.

2) Job-order costing systems often use allocation bases that do not reflect how jobs actually use overhead resources.

3) An employee time ticket is an hour-by-hour summary of the employee's activities throughout the day.

4) The formula for computing the predetermined overhead rate is:
Predetermined overhead rate = Estimated total amount of the allocation base ÷ Estimated total manufacturing overhead cost

5) Generally speaking, when going through the process of computing a predetermined overhead rate, the estimated total manufacturing overhead cost is determined before estimating the amount of the allocation base.

6) If a job is not completed at year end, then no manufacturing overhead cost would be applied to that job when a predetermined overhead rate is used.

7) Actual overhead costs are not assigned to jobs in a job costing system.

8) The amount of overhead applied to a particular job equals the actual amount of overhead caused by the job.

9) If the overhead rate is computed annually based on the actual costs and activity for the year, the manufacturing overhead assigned to any particular job can be computed as soon as the job is completed.

10) Job cost sheets contain entries for actual direct material, actual direct labor, and actual manufacturing overhead cost incurred in completing a job.

11) In a job-order cost system, indirect labor is assigned to a job using information from the employee time ticket.

12) If the allocation base in the predetermined overhead rate does not drive overhead costs, it will nevertheless provide reasonably accurate unit product costs because of the averaging process.

13) A job cost sheet is used to record how much a customer pays for the job once the job is completed.

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14) In a job-order costing system, costs are traced to individual units of product. The sum total of such traced costs is called the unit product cost.

15) The fact that one department may be labor intensive while another department is machine intensive explains in part why multiple predetermined overhead rates are often used in larger companies.

16) A company will improve job cost accuracy by using multiple overhead rates even if it cannot identify more than one overhead cost driver.

17) The appeal of using multiple departmental overhead rates is that they presumably provide a more accurate accounting of the costs caused by jobs.

18) The costs attached to products that have not been sold are included in ending inventory on the balance sheet.

19) In absorption costing, nonmanufacturing costs are assigned to units of product.

20) An employee time ticket is used to record points that are earned by employees based on the hours they worked that can be used to pay for coffee, food in the cafeteria, and even in some cases for vacation travel.

21) A bill of materials is a document that lists the type and quantity of each type of direct material needed to complete a unit of product.

22) Most countries require some form of absorption costing for external reports.

23) In a job-order costing system that is based on machine-hours, which of the following formulas is correct?
A) Predetermined overhead rate = Actual manufacturing overhead ÷ Actual machine-hours
B) Predetermined overhead rate = Actual manufacturing overhead ÷ Estimated machine-hours
C) Predetermined overhead rate = Estimated manufacturing overhead ÷ Estimated machine-hours
D) Predetermined overhead rate = Estimated manufacturing overhead ÷ Actual machine-hours

24) Which of the following is the correct formula to compute the predetermined overhead rate?
A) Predetermined overhead rate = Estimated total units in the allocation base ÷ Estimated total manufacturing overhead costs
B) Predetermined overhead rate = Estimated total manufacturing overhead costs ÷ Estimated total units in the allocation base
C) Predetermined overhead rate = Actual total manufacturing overhead costs ÷ Estimated total units in the allocation base
D) Predetermined overhead rate = Estimated total manufacturing overhead costs ÷ Actual total units in the allocation base.

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25) Assigning manufacturing overhead to a specific job is complicated by all of the below except:
A) Manufacturing overhead is an indirect cost that is either impossible or difficult to trace to a particular job.
B) Manufacturing overhead is incurred only to support some jobs.
C) Manufacturing overhead consists of both variable and fixed costs.
D) The average cost of actual fixed manufacturing overhead expenses will vary depending on how many units are produced in a period.

26) Which of the following statements about using a plantwide overhead rate based on direct labor is correct?
A) Using a plantwide overhead rate based on direct labor-hours will ensure that direct labor costs are correctly traced to jobs.
B) Using a plantwide overhead rate based on direct labor costs will ensure that direct labor costs will be correctly traced to jobs.
C) It is often overly simplistic and incorrect to assume that direct labor-hours is a company's only manufacturing overhead cost driver.
D) The labor theory of value ensures that using a plantwide overhead rate based on direct labor will do a reasonably good job of assigning overhead costs to jobs.

27) Which of the following would usually be found on a job cost sheet under a normal cost system?

	Actual direct material cost	Actual manufacturing overhead cost
A)	Yes	Yes
B)	Yes	No
C)	No	Yes
D)	No	No

A) Choice A
B) Choice B
C) Choice C
D) Choice D

28) Which of the following statements is NOT correct concerning multiple overhead rate systems?
A) A multiple overhead rate system is more complex than a system based on a single plantwide overhead rate.
B) A multiple overhead rate system is usually more accurate than a system based on a single plantwide overhead rate.
C) A company may choose to create a separate overhead rate for each of its production departments.
D) In departments that are relatively labor-intensive, their overhead costs should be applied to jobs based on machine-hours rather than on direct labor-hours.

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29) Johansen Corporation uses a predetermined overhead rate based on direct labor-hours to apply manufacturing overhead to jobs. The Corporation has provided the following estimated costs for the next year:

Direct materials	$ 6,000
Direct labor	$ 20,000
Rent on factory building	$ 15,000
Sales salaries	$ 25,000
Depreciation on factory equipment	$ 8,000
Indirect labor	$ 12,000
Production supervisor's salary	$ 15,000

Jameson estimates that 20,000 direct labor-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $2.50 per direct labor-hour
B) $2.79 per direct labor-hour
C) $3.00 per direct labor-hour
D) $4.00 per direct labor-hour

30) The Silver Corporation uses a predetermined overhead rate to apply manufacturing overhead to jobs. The predetermined overhead rate is based on labor cost in Dept. A and on machine-hours in Dept. B. At the beginning of the year, the Corporation made the following estimates:

	Dept. A	Dept. B
Direct labor cost	$ 60,000	$ 40,000
Manufacturing overhead	$ 90,000	$ 45,000
Direct labor-hours	6,000	9,000
Machine-hours	2,000	15,000

What predetermined overhead rates would be used in Dept. A and Dept. B, respectively?
A) 67% and $3.00
B) 150% and $5.00
C) 150% and $3.00
D) 67% and $5.00

31) Purves Corporation is using a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $121,000 and 10,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $113,000 and 10,900 total direct labor-hours during the period. The predetermined overhead rate is closest to:
A) $10.37
B) $12.10
C) $11.10
D) $11.30

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32) Reamer Corporation uses a predetermined overhead rate based on machine-hours to apply manufacturing overhead to jobs. The Corporation has provided the following estimated costs for next year:

Direct materials	$ 1,000
Direct labor	$ 3,000
Sales commissions	$ 4,000
Salary of production supervisor	$ 2,000
Indirect materials	$ 400
Advertising expense	$ 800
Rent on factory equipment	$ 1,000

Reamer estimates that 500 direct labor-hours and 1,000 machine-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $6.80 per machine-hour
B) $6.00 per machine-hour
C) $3.00 per machine-hour
D) $3.40 per machine-hour

33) Baj Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 534,000	
Estimated activity level from the beginning of the year	30,000	machine-hours
Actual total fixed manufacturing overhead	$ 487,000	
Actual activity level	27,400	machine-hours

The predetermined overhead rate per machine-hour would be closest to:
A) $17.80
B) $19.49
C) $16.23
D) $17.77

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34) Giannitti Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the upcoming year appear below:

Estimated machine-hours	36,000	
Estimated variable manufacturing overhead	$ 3.01	per machine-hour
Estimated total fixed manufacturing overhead	$ 1,058,040	

The predetermined overhead rate for the recently completed year was closest to:
A) $29.39 per machine-hour
B) $32.40 per machine-hour
C) $32.81 per machine-hour
D) $3.01 per machine-hour

35) Gilchrist Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. At the beginning of the most recently completed year, the Corporation estimated the machine-hours for the upcoming year at 79,000 machine-hours. The estimated variable manufacturing overhead was $7.38 per machine-hour and the estimated total fixed manufacturing overhead was $2,347,090. The predetermined overhead rate for the recently completed year was closest to:
A) $37.09 per machine-hour
B) $36.07 per machine-hour
C) $7.38 per machine-hour
D) $29.71 per machine-hour

36) Dearden Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $144,000, variable manufacturing overhead of $2.00 per machine-hour, and 60,000 machine-hours. The predetermined overhead rate is closest to:
A) $2.40 per machine-hour
B) $6.40 per machine-hour
C) $4.40 per machine-hour
D) $2.00 per machine-hour

37) Longobardi Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the Corporation estimated the labor-hours for the upcoming year at 46,000 labor-hours. The estimated variable manufacturing overhead was $6.25 per labor-hour and the estimated total fixed manufacturing overhead was $1,026,260. The actual labor-hours for the year turned out to be 41,200 labor-hours. The predetermined overhead rate for the recently completed year was closest to:
A) $28.56 per labor-hour
B) $22.31 per labor-hour
C) $6.25 per labor-hour
D) $31.16 per labor-hour

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38) Valvano Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $440,000, variable manufacturing overhead of $2.20 per machine-hour, and 50,000 machine-hours. The estimated total manufacturing overhead is closest to:
A) $440,000
B) $110,000
C) $440,002
D) $550,000

39) Brothern Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the most recently completed year appear below:

Estimates made at the beginning of the year:		
Estimated machine-hours	39,000	
Estimated variable manufacturing overhead	$ 6.76	per machine-hour
Estimated total fixed manufacturing overhead	$ 794,430	
Actual machine-hours for the year	42,700	

The predetermined overhead rate for the recently completed year was closest to:
A) $25.37 per machine-hour
B) $27.13 per machine-hour
C) $6.76 per machine-hour
D) $20.37 per machine-hour

40) Steele Corporation uses a predetermined overhead rate based on machine-hours to apply manufacturing overhead to jobs. Steele Corporation has provided the following estimated costs for next year:

Direct materials	$ 20,000
Direct labor	$ 60,000
Sales commissions	$ 80,000
Salary of production supervisor	$ 40,000
Indirect materials	$ 8,000
Advertising expense	$ 16,000
Rent on factory equipment	$ 20,000

Steele estimates that 10,000 direct labor-hours and 16,000 machine-hours will be worked during the year. The predetermined overhead rate per hour will be:
A) $4.25
B) $8.00
C) $9.00
D) $10.25

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41) Helland Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	30,000
Total fixed manufacturing overhead cost	$ 189,000
Variable manufacturing overhead per direct labor-hour	$ 2.50

The predetermined overhead rate is closest to:
A) $2.50 per direct labor-hour
B) $11.30 per direct labor-hour
C) $6.30 per direct labor-hour
D) $8.80 per direct labor-hour

42) Laflame Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$ 357,000
Variable manufacturing overhead per machine-hour	$ 3.90

The estimated total manufacturing overhead is closest to:
A) $273,000
B) $630,000
C) $357,004
D) $357,000

43) Almaraz Corporation has two manufacturing departments—Forming and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Finishing	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 40,600	$ 8,100	$ 48,700
Estimated variable manufacturing overhead cost per MH	$ 1.30	$ 2.80	

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $6.62
B) $4.87
C) $4.10
D) $7.10

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44) Bernson Corporation is using a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $492,000 and 30,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $517,000 and 28,300 total machine-hours during the period. The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $464,120
B) $492,000
C) $487,703
D) $25,000

45) Beat Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	40,000
Total fixed manufacturing overhead cost	$ 344,000
Variable manufacturing overhead per machine-hour	$ 3.90

Recently, Job M759 was completed. It required 60 machine-hours. The amount of overhead applied to Job M759 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $750
B) $516
C) $984
D) $234

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46) Mundorf Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	9,000	1,000	10,000
Estimated total fixed manufacturing overhead cost	$ 52,200	$ 2,400	$ 54,600
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job H
Forming machine-hours	6,100	2,900
Assembly machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job B is closest to:
A) $48,555
B) $35,490
C) $2,988
D) $45,567

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47) Parido Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	8,000	2,000	10,000
Estimated total fixed manufacturing overhead cost	$ 44,000	$ 4,200	$ 48,200
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 3.00	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Casting machine-hours	5,400	2,600
Assembly machine-hours	800	1,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $8,328
B) $26,372
C) $18,316
D) $18,044

48) Juanita Corporation uses a job-order costing system and applies overhead on the basis of direct labor cost. At the end of October, Juanita had one job still in process. The job cost sheet for this job contained the following information:

Direct materials	$ 480
Direct labor	$ 150
Manufacturing overhead applied	$ 600

An additional $100 of labor was needed in November to complete this job. For this job, how much should Juanita have transferred to finished goods inventory in November when it was completed?
A) $1,330
B) $500
C) $1,230
D) $1,730

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49) Carradine Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $105,000, variable manufacturing overhead of $3.00 per machine-hour, and 70,000 machine-hours. The company recently completed Job P233 which required 60 machine-hours. The amount of overhead applied to Job P233 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $90
B) $270
C) $450
D) $180

50) Fusaro Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 684,000	
Estimated activity level from the beginning of the year	40,000	machine-hours
Actual total fixed manufacturing overhead	$ 616,000	
Actual activity level	37,700	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $644,670
B) $684,000
C) $68,000
D) $580,580

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51) Koelsch Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,000	$ 25,200	$ 29,200
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$ 12,300	$ 8,400
Direct labor cost	$ 18,200	$ 6,800
Molding machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job K is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $72,561
B) $79,817
C) $24,187
D) $48,374

52) Thach Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $665,000, variable manufacturing overhead of $3.00 per machine-hour, and 70,000 machine-hours. Recently, Job T321 was completed with the following characteristics:

Number of units in the job	30
Total machine-hours	90
Direct materials	$ 630
Direct labor cost	$ 2,880

The unit product cost for Job T321 is closest to:
A) $117.00
B) $58.50
C) $154.50
D) $51.50

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53) Tancredi Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 22,000	$ 11,500	$ 33,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 3.00	

During the most recent month, the company started and completed two jobs—Job E and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job E	Job J
Direct materials	$ 12,800	$ 7,000
Direct labor cost	$ 17,600	$ 7,700
Machining machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. If both jobs are sold during the month, the company's cost of goods sold for the month would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $61,450
B) $41,150
C) $110,808
D) $102,600

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54) Session Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	70,000
Total fixed manufacturing overhead cost	$ 511,000
Variable manufacturing overhead per direct labor-hour	$ 2.10

Recently, Job K913 was completed with the following characteristics:

Total direct labor-hours	150
Direct materials	$ 705
Direct labor cost	$ 4,650

The total job cost for Job K913 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,060
B) $2,115
C) $6,765
D) $5,355

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55) Pebbles Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$ 9,800	$ 6,300	$ 16,100
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.40	

During the most recent month, the company started and completed two jobs—Job A and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job L
Direct materials	$ 15,400	$ 9,600
Direct labor cost	$ 24,900	$ 6,200
Casting machine-hours	1,400	600
Finishing machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**

A) $9,600
B) $6,200
C) $28,904
D) $13,104

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56) Stockmaster Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,000	$ 10,500	$ 37,500
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job H
Direct materials	$ 11,200	$ 7,500
Direct labor cost	$ 21,000	$ 7,800
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $96,989
B) $88,172
C) $25,192
D) $62,980

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57) Atteberry Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 30,000	$ 11,200	$ 41,200
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 2.40	

During the most recent month, the company started and completed two jobs—Job E and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job E	Job L
Direct materials	$ 13,400	$ 9,100
Direct labor cost	$ 24,500	$ 7,000
Machining machine-hours	4,100	1,900
Finishing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job E is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $24,500
B) $35,796
C) $13,400
D) $73,696

58) Coates Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $249,000, variable manufacturing overhead of $3.80 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job X784 which was recently completed:

Number of units in the job	50
Total machine-hours	250
Direct materials	$ 470
Direct labor cost	$ 5,500

If the company marks up its unit product costs by 30% then the selling price for a unit in Job X784 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $253.87
B) $233.87
C) $53.97
D) $155.22

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59) Sutter Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	10,000
Total fixed manufacturing overhead cost	$ 35,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job T369 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	40
Direct materials	$ 750
Direct labor cost	$ 1,560

If the company marks up its unit product costs by 20% then the selling price for a unit in Job T369 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $324.56
B) $304.56
C) $277.20
D) $50.76

60) Doakes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	60,000
Total fixed manufacturing overhead cost	$ 378,000
Variable manufacturing overhead per direct labor-hour	$ 2.20

Recently, Job M843 was completed with the following characteristics:

Number of units in the job	60
Total direct labor-hours	120
Direct materials	$ 630
Direct labor cost	$ 2,400

The unit product cost for Job M843 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $33.75
B) $67.50
C) $27.50
D) $50.50

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61) Placker Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $155,000, variable manufacturing overhead of $3.40 per machine-hour, and 50,000 machine-hours. Recently, Job A881 was completed with the following characteristics:

Total machine-hours	100
Direct materials	$ 645
Direct labor cost	$ 2,300

The total job cost for Job A881 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,595
B) $2,945
C) $2,950
D) $1,295

62) Tomey Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	18,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 99,000	$ 70,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.70

During the current month the company started and finished Job T617. The following data were recorded for this job:

Job T617:	Forming	Finishing
Machine-hours	90	20
Direct labor-hours	30	60
Direct materials	$ 940	$ 350
Direct labor cost	$ 960	$ 1,920

The total job cost for Job T617 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,604
B) $2,584
C) $684
D) $3,020

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63) Molash Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$ 9,400	$ 8,100	$ 17,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.40	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Direct materials	$ 14,400	$ 7,100
Direct labor cost	$ 23,500	$ 6,700
Machining machine-hours	1,400	600
Assembly machine-hours	1,200	1,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $40,320
B) $41,933
C) $13,440
D) $26,880

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64) Columbo Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 110,500	$ 78,300
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job A948. The following data were recorded for this job:

Job A948:	Forming	Finishing
Machine-hours	70	30
Direct labor-hours	10	50
Direct materials	$ 650	$ 330
Direct labor cost	$ 380	$ 1,900

If the company marks up its manufacturing costs by 40% then the selling price for Job A948 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,197.80
B) $1,770.80
C) $4,427.00
D) $6,818.00

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65) Lotz Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	2,000	8,000	10,000
Estimated total fixed manufacturing overhead cost	$ 10,200	$ 19,200	$ 29,400
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$ 14,400	$ 7,100
Direct labor cost	$ 22,500	$ 6,600
Casting machine-hours	1,400	600
Finishing machine-hours	3,200	4,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $30,220
B) $90,660
C) $60,440
D) $96,100

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66) Ashe Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 9,200	$ 13,900
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job K
Machining machine-hours	700	300
Customizing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job K is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,760
B) $1,740
C) $13,716
D) $13,500

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67) Boward Corporation has two production departments, Milling and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Assembly
Machine-hours	18,000	12,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 120,600	$ 76,300
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T818. The following data were recorded for this job:

Job T818:	Milling	Assembly
Machine-hours	50	30
Direct labor-hours	10	40

The total amount of overhead applied in both departments to Job T818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,651
B) $608
C) $435
D) $1,043

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68) Malakan Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	18,000	11,000
Direct labor-hours	2,000	9,000
Total fixed manufacturing overhead cost	$ 102,600	$ 96,300
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job K368. The following data were recorded for this job:

Job K368:	Machining	Finishing
Machine-hours	80	30
Direct labor-hours	20	40

The amount of overhead applied in the Machining Department to Job K368 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $856.00
B) $168.00
C) $624.00
D) $140,400.00

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69) Mahon Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	18,000	14,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 124,200	$ 68,600
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job T138. The following data were recorded for this job:

Job T138:	Casting	Customizing
Machine-hours	70	30
Direct labor-hours	10	60

The amount of overhead applied in the Customizing Department to Job T138 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $588.00
B) $95,200.00
C) $816.00
D) $228.00

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70) Marioni Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 37,100	$ 9,000	$ 46,100
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job H
Forming machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $6,720
B) $33,600
C) $40,320
D) $39,480

71) Bassett Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	16,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 118,400	$ 87,200
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

The predetermined overhead rate for the Milling Department is closest to:
A) $19.00 per machine-hour
B) $2.10 per machine-hour
C) $9.50 per machine-hour
D) $7.40 per machine-hour

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72) Fatzinger Corporation has two production departments, Milling and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Assembly
Machine-hours	20,000	14,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 132,000	$ 57,400
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.40

The predetermined overhead rate for the Assembly Department is closest to:
A) $8.20 per direct labor-hour
B) $3.40 per direct labor-hour
C) $4.06 per direct labor-hour
D) $11.60 per direct labor-hour

73) Swango Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	19,000	11,000
Direct labor-hours	1,000	8,000
Total fixed manufacturing overhead cost	$ 138,700	$ 86,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $24,000
B) $110,400
C) $86,400
D) $60,379

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74) Tarrant Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 5,700	$ 11,200	$ 16,900
Estimated variable manufacturing overhead cost per MH	$ 1.30	$ 2.90	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Casting Department is closest to:
A) $5.70
B) $1.30
C) $5.96
D) $7.00

75) Prayer Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	19,000	13,000
Direct labor-hours	1,000	8,000
Total fixed manufacturing overhead cost	$ 110,200	$ 68,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $148,200
B) $110,200
C) $38,000
D) $299,725

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76) Camm Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 12,600	$ 4,600	$ 17,200
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.50
B) $2.30
C) $4.80
D) $5.46

77) Huang Aerospace Corporation manufactures aviation control panels in two departments, Fabrication and Assembly. In the Fabrication department, Huang uses a predetermined overhead rate of $30 per machine-hour. In the Assembly department, Huang uses a predetermined overhead rate of $12 per direct labor-hour. During the current year, Job #X2984 incurred the following number of hours in each department:

	Fabrication	Assembly
Machine-hours	40	12
Direct labor-hours	3	25

What is the total amount of manufacturing overhead that Huang should have applied to Job #X2984 during the current year?
A) $1,200
B) $1,500
C) $1,560
D) $1,734

78) Sargent Corporation applies overhead cost to jobs on the basis of 80% of direct labor cost. If Job 210 shows $10,000 of manufacturing overhead cost applied, how much was the direct labor cost on the job?
A) $12,500
B) $11,000
C) $8,000
D) $10,000

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79) Kreuzer Corporation is using a predetermined overhead rate of $22.30 per machine-hour that was based on estimated total fixed manufacturing overhead of $446,000 and 20,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $409,000 and 18,200 total machine-hours during the period. The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to:
A) $446,000
B) $37,000
C) $372,190
D) $405,860

80) Kavin Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Predetermined overhead rate	$ 23.60	per machine-hour
Estimated total fixed manufacturing overhead from the beginning of the year	$ 708,000	
Estimated activity level from the beginning of the year	30,000	machine-hours
Actual total fixed manufacturing overhead	$ 752,000	
Actual activity level	28,100	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to:
A) $663,160
B) $708,000
C) $44,000
D) $704,373

81) Job 910 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 3,193	
Direct labor-hours	21	labor-hours
Direct labor wage rate	$ 12	per labor-hour
Machine-hours	166	machine-hours

The Corporation applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $15 per machine-hour. The total cost that would be recorded on the job cost sheet for Job 910 would be:
A) $3,220
B) $3,760
C) $5,935
D) $3,445

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82) Grib Corporation uses a predetermined overhead rate based on direct labor cost to apply manufacturing overhead to jobs. The predetermined overhead rates for the year are 200% of direct labor cost for Department A and 50% of direct labor cost for Department B. Job 436, started and completed during the year, was charged with the following costs:

	Dept. A	Dept. B
Direct materials	$ 50,000	$ 10,000
Direct labor	?	$ 60,000
Manufacturing overhead	$ 80,000	?

The total manufacturing cost assigned to Job 436 was:
A) $360,000
B) $390,000
C) $270,000
D) $480,000

83) The following data have been recorded for recently completed Job 450 on its job cost sheet. Direct materials cost was $3,044. A total of 46 direct labor-hours and 104 machine-hours were worked on the job. The direct labor wage rate is $15 per labor-hour. The Corporation applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $13 per machine-hour. The total cost for the job on its job cost sheet would be:
A) $4,332
B) $3,734
C) $3,072
D) $5,086

84) Dejarnette Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 416,000
Variable manufacturing overhead per machine-hour	$ 3.10

The estimated total manufacturing overhead is closest to:
A) $416,003
B) $248,000
C) $664,000
D) $416,000

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85) Dejarnette Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 416,000
Variable manufacturing overhead per machine-hour	$ 3.10

The predetermined overhead rate is closest to:
A) $8.30 per machine-hour
B) $11.40 per machine-hour
C) $5.20 per machine-hour
D) $3.10 per machine-hour

86) Odonnel Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $36,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 10,000 direct labor-hours.

The estimated total manufacturing overhead is closest to:
A) $64,000
B) $36,000
C) $28,000
D) $36,003

87) Odonnel Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $36,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 10,000 direct labor-hours.

The predetermined overhead rate is closest to:
A) $2.80 per direct labor-hour
B) $6.40 per direct labor-hour
C) $3.60 per direct labor-hour
D) $9.20 per direct labor-hour

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88) Morataya Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $4.00
B) $7.50
C) $4.58
D) $6.54

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89) Morataya Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $31,392
B) $27,480
C) $39,240
D) $7,848

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90) Morataya Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	7,000	3,000	10,000
Estimated total fixed manufacturing overhead cost	$ 39,200	$ 6,600	$ 45,800
Estimated variable manufacturing overhead cost per MH	$ 1.90	$ 2.10	

During the most recent month, the company started and completed two jobs—Job B and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job G
Direct materials	$ 14,800	$ 8,300
Direct labor cost	$ 22,000	$ 8,900
Machining machine-hours	4,800	2,200
Assembly machine-hours	1,200	1,800

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job G is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $14,388
B) $26,160
C) $11,772
D) $18,320

91) Housholder Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 310,000
Estimated activity level from the beginning of the year	20,000machine-hours
Actual total fixed manufacturing overhead	$ 338,000
Actual activity level	18,300machine-hours

The predetermined overhead rate is closest to:
A) $18.47
B) $16.94
C) $16.90
D) $15.50

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92) Housholder Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$ 310,000	
Estimated activity level from the beginning of the year	20,000	machine-hours
Actual total fixed manufacturing overhead	$ 338,000	
Actual activity level	18,300	machine-hours

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,000
B) $309,270
C) $310,000
D) $283,650

93) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The estimated total manufacturing overhead is closest to:
A) $90,000
B) $275,000
C) $185,000
D) $90,004

94) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The predetermined overhead rate is closest to:
A) $1.80 per direct labor-hour
B) $5.50 per direct labor-hour
C) $9.20 per direct labor-hour
D) $3.70 per direct labor-hour

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95) Gerstein Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.70 per direct labor-hour, and 50,000 direct labor-hours. The company recently completed Job M800 which required 150 direct labor-hours.

The amount of overhead applied to Job M800 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $270
B) $1,380
C) $825
D) $555

96) Krier Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $738,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $792,000 and 31,500 total direct labor-hours during the period.

The predetermined overhead rate is closest to:
A) $26.40
B) $25.14
C) $23.43
D) $24.60

97) Krier Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $738,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $792,000 and 31,500 total direct labor-hours during the period.

The amount of manufacturing overhead that would have been applied to all jobs during the period is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $831,600
B) $54,000
C) $774,900
D) $738,000

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98) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The estimated total manufacturing overhead is closest to:
A) $168,000
B) $312,002
C) $312,000
D) $480,000

99) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The predetermined overhead rate is closest to:
A) $8.10 per machine-hour
B) $2.10 per machine-hour
C) $3.90 per machine-hour
D) $6.00 per machine-hour

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100) Harootunian Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$ 312,000
Variable manufacturing overhead per machine-hour	$ 2.10

Recently, Job T629 was completed with the following characteristics:

Number of units in the job	50
Total machine-hours	200

The amount of overhead applied to Job T629 is closest to:
A) $1,620
B) $780
C) $1,200
D) $420

101) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The estimated total manufacturing overhead is closest to:
A) $120,000
B) $96,003
C) $96,000
D) $216,000

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102) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The predetermined overhead rate is closest to:
A) $2.40 per direct labor-hour
B) $3.00 per direct labor-hour
C) $8.40 per direct labor-hour
D) $5.40 per direct labor-hour

103) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The amount of overhead applied to Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $840
B) $300
C) $540
D) $240

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104) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The total job cost for Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,540
B) $4,755
C) $1,295
D) $5,295

105) Dehner Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	40,000
Total fixed manufacturing overhead cost	$ 96,000
Variable manufacturing overhead per direct labor-hour	$ 3.00

Recently, Job P951 was completed with the following characteristics:

Number of units in the job	20
Total direct labor-hours	100
Direct materials	$ 755
Direct labor cost	$ 4,000

The unit product cost for Job P951 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $237.75
B) $264.75
C) $64.75
D) $52.95

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106) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The estimated total manufacturing overhead is closest to:
A) $272,000
B) $160,000
C) $432,000
D) $160,003

107) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The predetermined overhead rate is closest to:
A) $8.80 per direct labor-hour
B) $2.00 per direct labor-hour
C) $3.40 per direct labor-hour
D) $5.40 per direct labor-hour

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108) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The amount of overhead applied to Job A578 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $500
B) $1,350
C) $2,200
D) $850

109) Branin Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $160,000, variable manufacturing overhead of $3.40 per direct labor-hour, and 80,000 direct labor-hours. The company has provided the following data concerning Job A578 which was recently completed:

Total direct labor-hours	250
Direct materials	$ 715
Direct labor cost	$ 9,000

The total job cost for Job A578 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,065
B) $10,350
C) $2,065
D) $9,715

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110) Spang Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	20,000
Total fixed manufacturing overhead cost	$ 176,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job P505 was completed with the following characteristics:

Total machine-hours	200
Direct materials	$ 540
Direct labor cost	$ 7,200

The amount of overhead applied to Job P505 is closest to:
A) $2,200
B) $1,760
C) $2,640
D) $440

111) Spang Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	20,000
Total fixed manufacturing overhead cost	$ 176,000
Variable manufacturing overhead per machine-hour	$ 2.20

Recently, Job P505 was completed with the following characteristics:

Total machine-hours	200
Direct materials	$ 540
Direct labor cost	$ 7,200

The total job cost for Job P505 is closest to:
A) $9,400
B) $9,940
C) $7,740
D) $2,740

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112) Opunui Corporation has two manufacturing departments—Molding and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$ 19,600	$ 2,400	$ 22,000
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.10	

During the most recent month, the company started and completed two jobs—Job A and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job M
Direct materials	$ 13,600	$ 7,500
Direct labor cost	$ 20,700	$ 7,400
Molding machine-hours	2,700	1,300
Finishing machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $10,830
B) $7,400
C) $25,730
D) $7,500

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113) Opunui Corporation has two manufacturing departments—Molding and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Molding	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$ 19,600	$ 2,400	$ 22,000
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.10	

During the most recent month, the company started and completed two jobs—Job A and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job M
Direct materials	$ 13,600	$ 7,500
Direct labor cost	$ 20,700	$ 7,400
Molding machine-hours	2,700	1,300
Finishing machine-hours	400	600

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $51,970
B) $72,758
C) $80,034
D) $20,788

114) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The estimated total manufacturing overhead is closest to:
A) $665,000
B) $497,002
C) $497,000
D) $168,000

115) Lueckenhoff Corporation uses a job-order costing system with a single plantwide

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predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The predetermined overhead rate is closest to:
A) $11.90 per direct labor-hour
B) $7.10 per direct labor-hour
C) $9.50 per direct labor-hour
D) $2.40 per direct labor-hour

116) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The amount of overhead applied to Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $568
B) $192
C) $760
D) $952

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117) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The total job cost for Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,430
B) $3,670
C) $1,710
D) $3,480

118) Lueckenhoff Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $497,000, variable manufacturing overhead of $2.40 per direct labor-hour, and 70,000 direct labor-hours. The company has provided the following data concerning Job T498 which was recently completed:

Number of units in the job	40
Total direct labor-hours	80
Direct materials	$950
Direct labor cost	$2,720

The unit product cost for Job T498 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $55.38
B) $42.75
C) $91.75
D) $110.75

Learning Objective: 02-01 Compute a predetermined overhead rate.; 02-02 Apply overhead cost to jobs using a predetermined overhead rate.; 02-03 Compute the total cost and the unit product cost of a job using a plantwide predetermined overhead rate.
Bloom's: Apply
AACSB: Analytical Thinking
AICPA: BB Critical Thinking; FN Measurement

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119) Nielsen Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 10,800	$ 15,500
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 13,000	$ 7,400
Direct labor cost	$ 20,400	$ 8,800
Machining machine-hours	700	300
Assembly machine-hours	1,600	2,400

Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $13,000
B) $20,400
C) $45,130
D) $11,730

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120) Nielsen Corporation has two manufacturing departments—Machining and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Assembly	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,700	$ 10,800	$ 15,500
Estimated variable manufacturing overhead cost per MH	$ 1.20	$ 2.20	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 13,000	$ 7,400
Direct labor cost	$ 20,400	$ 8,800
Machining machine-hours	700	300
Assembly machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 40% on manufacturing cost to establish selling prices. The calculated selling price for Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $46,154
B) $41,958
C) $29,970
D) $11,988

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121) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The amount of overhead applied to Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $812
B) $350
C) $462
D) $1,162

122) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The total job cost for Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,775
B) $6,132
C) $6,587
D) $1,267

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123) Decorte Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	10,000
Total fixed manufacturing overhead cost	$33,000
Variable manufacturing overhead per direct labor-hour	$2.50

Recently, Job K332 was completed with the following characteristics:

Number of units in the job	70
Total direct labor-hours	140
Direct materials	$455
Direct labor cost	$5,320

The unit product cost for Job K332 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $94.10
B) $18.10
C) $82.50
D) $47.05

124) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The estimated total manufacturing overhead is closest to:
A) $330,000
B) $162,000
C) $168,000
D) $162,003

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125) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The predetermined overhead rate is closest to:
A) $5.50 per direct labor-hour
B) $8.30 per direct labor-hour
C) $2.80 per direct labor-hour
D) $2.70 per direct labor-hour

126) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The amount of overhead applied to Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $135
B) $140
C) $415
D) $275

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127) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The total job cost for Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,675
B) $2,595
C) $1,195
D) $2,320

128) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

The unit product cost for Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $51.90
B) $259.50
C) $232.00
D) $119.50

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129) Beans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $162,000, variable manufacturing overhead of $2.80 per direct labor-hour, and 60,000 direct labor-hours. Recently, Job K818 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	50
Direct materials	$920
Direct labor cost	$1,400

If the company marks up its unit product costs by 40% then the selling price for a unit in Job K818 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $363.30
B) $103.80
C) $383.30
D) $324.80

130) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The estimated total manufacturing overhead is closest to:
A) $315,000
B) $252,000
C) $252,002
D) $63,000

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131) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The predetermined overhead rate is closest to:
A) $12.60 per machine-hour
B) $10.50 per machine-hour
C) $8.40 per machine-hour
D) $2.10 per machine-hour

132) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The amount of overhead applied to Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $315
B) $252
C) $378
D) $63

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133) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The total job cost for Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,365
B) $1,725
C) $990
D) $2,040

134) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

The unit product cost for Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $99.00
B) $68.00
C) $172.50
D) $204.00

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135) Lupo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	30,000
Total fixed manufacturing overhead cost	$252,000
Variable manufacturing overhead per machine-hour	$2.10

Recently, Job T687 was completed with the following characteristics:

Number of units in the job	10
Total machine-hours	30
Direct materials	$675
Direct labor cost	$1,050

If the company marks up its unit product costs by 40% then the selling price for a unit in Job T687 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $81.60
B) $305.60
C) $285.60
D) $241.50

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136) Ronson Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,500	$ 10,500	$ 38,000
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job C and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job G
Direct materials	$ 10,600	$ 6,800
Direct labor cost	$ 23,700	$ 7,900
Casting machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $32,130
B) $11,900
C) $20,230
D) $20,520

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137) Ronson Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 27,500	$ 10,500	$ 38,000
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.60	

During the most recent month, the company started and completed two jobs—Job C and Job G. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job G
Direct materials	$ 10,600	$ 6,800
Direct labor cost	$ 23,700	$ 7,900
Casting machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job G is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $42,070
B) $27,370
C) $6,800
D) $7,900

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138) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The amount of overhead applied to Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $930
B) $4,200
C) $2,340
D) $3,270

139) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The total job cost for Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $12,270
B) $9,645
C) $3,915
D) $12,915

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140) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

The unit product cost for Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $65.25
B) $160.75
C) $215.25
D) $43.05

141) Sivret Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	80,000
Total fixed manufacturing overhead cost	$624,000
Variable manufacturing overhead per machine-hour	$3.10

Recently, Job M598 was completed with the following characteristics:

Number of units in the job	60
Total machine-hours	300
Direct materials	$645
Direct labor cost	$9,000

If the company marks up its unit product costs by 40% then the selling price for a unit in Job M598 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $321.35
B) $225.05
C) $86.10
D) $301.35

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142) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The predetermined overhead rate is closest to:
A) $2.90 per machine-hour
B) $2.00 per machine-hour
C) $4.90 per machine-hour
D) $6.90 per machine-hour

143) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The amount of overhead applied to Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $232
B) $160
C) $392
D) $552

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144) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The total job cost for Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,140
B) $892
C) $3,532
D) $3,032

145) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

The unit product cost for Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $176.60
B) $157.00
C) $44.60
D) $44.15

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146) Levron Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $58,000, variable manufacturing overhead of $2.00 per machine-hour, and 20,000 machine-hours. The company has provided the following data concerning Job P978 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,640

If the company marks up its unit product costs by 30% then the selling price for a unit in Job P978 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $249.58
B) $229.58
C) $204.10
D) $52.98

147) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The predetermined overhead rate is closest to:
A) $8.80 per machine-hour
B) $6.50 per machine-hour
C) $2.30 per machine-hour
D) $4.20 per machine-hour

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148) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The amount of overhead applied to Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $184
B) $520
C) $704
D) $336

149) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The total job cost for Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,360
B) $2,505
C) $1,185
D) $3,025

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150) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

The unit product cost for Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $37.81
B) $59.25
C) $151.25
D) $125.25

151) Bolander Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

Total machine-hours	70,000
Total fixed manufacturing overhead cost	$294,000
Variable manufacturing overhead per machine-hour	$2.30

Recently, Job M825 was completed with the following characteristics:

Number of units in the job	20
Total machine-hours	80
Direct materials	$665
Direct labor cost	$1,840

If the company marks up its unit product costs by 40% then the selling price for a unit in Job M825 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $60.50
B) $175.35
C) $211.75
D) $231.75

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152) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The amount of overhead applied to Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $176
B) $792
C) $968
D) $616

153) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The total job cost for Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,972
B) $1,732
C) $3,180
D) $3,032

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154) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

The unit product cost for Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $86.60
B) $159.00
C) $198.60
D) $49.65

155) Cull Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $462,000, variable manufacturing overhead of $2.20 per machine-hour, and 60,000 machine-hours. The company has provided the following data concerning Job X455 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$940
Direct labor cost	$2,240

If the company marks up its unit product costs by 20% then the selling price for a unit in Job X455 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $258.32
B) $190.80
C) $39.72
D) $238.32

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156) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The amount of overhead applied to Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,256
B) $632
C) $944
D) $312

157) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The total job cost for Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,660
B) $3,104
C) $3,604
D) $1,444

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158) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

The unit product cost for Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $133.00
B) $72.20
C) $45.05
D) $180.20

159) Kostelnik Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $237,000, variable manufacturing overhead of $3.90 per machine-hour, and 30,000 machine-hours. The company has provided the following data concerning Job A496 which was recently completed:

Number of units in the job	20
Total machine-hours	80
Direct materials	$500
Direct labor cost	$2,160

If the company marks up its unit product costs by 40% then the selling price for a unit in Job A496 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $186.20
B) $272.28
C) $72.08
D) $252.28

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160) Halbur Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 33,600	$ 10,000	$ 43,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job J
Direct materials	$ 11,300	$ 8,100
Direct labor cost	$ 18,500	$ 6,300
Machining machine-hours	4,100	1,900
Customizing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,208
B) $18,748
C) $12,464
D) $15,744

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161) Halbur Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	6,000	4,000	10,000
Estimated total fixed manufacturing overhead cost	$ 33,600	$ 10,000	$ 43,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.80	

During the most recent month, the company started and completed two jobs—Job C and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job J
Direct materials	$ 11,300	$ 8,100
Direct labor cost	$ 18,500	$ 6,300
Machining machine-hours	4,100	1,900
Customizing machine-hours	1,600	2,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The total manufacturing cost assigned to Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $18,500
B) $67,192
C) $11,300
D) $37,392

162) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The estimated total manufacturing overhead is closest to:
A) $475,000
B) $285,000
C) $190,000
D) $285,004

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163) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The predetermined overhead rate is closest to:
A) $13.30 per direct labor-hour
B) $3.80 per direct labor-hour
C) $9.50 per direct labor-hour
D) $5.70 per direct labor-hour

164) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The amount of overhead applied to Job P513 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $76
B) $190
C) $266
D) $114

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165) Prather Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	50,000
Total fixed manufacturing overhead cost	$ 285,000
Variable manufacturing overhead per direct labor-hour	$ 3.80

Recently, Job P513 was completed with the following characteristics:

Number of units in the job	10
Total direct labor-hours	20
Direct materials	$ 710
Direct labor cost	$ 500

The total job cost for Job P513 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $690
B) $900
C) $1,400
D) $1,210

166) Kubes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.50 per direct labor-hour, and 30,000 direct labor-hours. The company has provided the following data concerning Job A477 which was recently completed:

Total direct labor-hours	100
Direct materials	$520
Direct labor cost	$2,800

The amount of overhead applied to Job A477 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $300
B) $350
C) $650
D) $1,000

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167) Kubes Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on total fixed manufacturing overhead cost of $90,000, variable manufacturing overhead of $3.50 per direct labor-hour, and 30,000 direct labor-hours. The company has provided the following data concerning Job A477 which was recently completed:

Total direct labor-hours	100
Direct materials	$520
Direct labor cost	$2,800

The total job cost for Job A477 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $3,450
B) $1,170
C) $3,970
D) $3,320

168) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The estimated total manufacturing overhead for the Assembly Department is closest to:
A) $77,600
B) $101,600
C) $56,674
D) $24,000

169) Deloria Corporation has two production departments, Forming and Assembly. The company

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uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The predetermined overhead rate for the Assembly Department is closest to:
A) $3.00 per direct labor-hour
B) $12.70 per direct labor-hour
C) $9.70 per direct labor-hour
D) $5.35 per direct labor-hour

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170) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The amount of overhead applied in the Assembly Department to Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $508.00
B) $101,600.00
C) $388.00
D) $120.00

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171) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The total amount of overhead applied in both departments to Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $508
B) $672
C) $1,688
D) $1,180

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172) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

The total job cost for Job T288 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $672
B) $2,088
C) $2,302
D) $4,390

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173) Deloria Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	19,000	15,000
Direct labor-hours	4,000	8,000
Total fixed manufacturing overhead cost	$ 129,200	$ 77,600
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job T288. The following data were recorded for this job:

Job T288:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	40
Direct materials	$ 730	$ 380
Direct labor cost	$ 900	$ 1,200

If the company marks up its manufacturing costs by 20% then the selling price for Job T288 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,390.00
B) $878.00
C) $5,268.00
D) $5,795.00

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174) Macnamara Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 8,800	$ 13,600
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.90	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 11,500	$ 9,000
Direct labor cost	$ 18,400	$ 7,400
Casting machine-hours	700	300
Finishing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job F is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,620
B) $12,780
C) $12,420
D) $8,160

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175) Macnamara Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 8,800	$ 13,600
Estimated variable manufacturing overhead cost/MH	$ 1.80	$ 2.90	

During the most recent month, the company started and completed two jobs—Job F and Job M. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job M
Direct materials	$ 11,500	$ 9,000
Direct labor cost	$ 18,400	$ 7,400
Casting machine-hours	700	300
Finishing machine-hours	1,600	2,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job M is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $15,310
B) $47,767
C) $30,620
D) $45,930

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

176) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The predetermined overhead rate for the Forming Department is closest to:
A) $5.70 per machine-hour
B) $7.70 per machine-hour
C) $2.00 per machine-hour
D) $18.70 per machine-hour

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177) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The predetermined overhead rate for the Finishing Department is closest to:
A) $9.40 per direct labor-hour
B) $13.00 per direct labor-hour
C) $3.60 per direct labor-hour
D) $5.35 per direct labor-hour

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178) Hickingbottom Corporation has two production departments, Forming and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Finishing
Machine-hours	17,000	15,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 96,900	$ 65,800
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.60

During the current month the company started and finished Job M381. The following data were recorded for this job:

Job M381:	Forming	Finishing
Machine-hours	80	30
Direct labor-hours	30	40
Direct materials	$ 840	$ 350
Direct labor cost	$ 750	$ 1,000

The total job cost for Job M381 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,206
B) $616
C) $4,076
D) $1,870

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179) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $136,800
B) $34,200
C) $171,000
D) $359,100

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180) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The predetermined overhead rate for the Machining Department is closest to:
A) $7.20 per machine-hour
B) $9.00 per machine-hour
C) $21.38 per machine-hour
D) $1.80 per machine-hour

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181) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The amount of overhead applied in the Machining Department to Job K928 is closest to:
A) $783.00
B) $810.00
C) $162.00
D) $171,000.00

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182) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The total amount of overhead applied in both departments to Job K928 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,405
B) $2,000
C) $810
D) $595

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183) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

The total job cost for Job K928 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $810
B) $4,275
C) $2,060
D) $2,215

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184) Kalp Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	12,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 136,800	$ 69,600
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.20

During the current month the company started and finished Job K928. The following data were recorded for this job:

Job K928:	Machining	Finishing
Machine-hours	90	10
Direct labor-hours	30	50
Direct materials	$ 775	$ 415
Direct labor cost	$ 630	$ 1,050

If the company marks up its manufacturing costs by 20% then the selling price for Job K928 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $4,275.00
B) $5,643.00
C) $5,130.00
D) $855.00

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185) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $90,707
B) $27,487
C) $82,461
D) $54,974

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

186) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $71,983
B) $65,439
C) $43,626
D) $21,813

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

187) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $27,595
B) $87,752
C) $82,785
D) $55,190

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188) Janicki Corporation has two manufacturing departments—Machining and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Customizing	Total
Estimated total machine-hours (MHs)	1,000	9,000	10,000
Estimated total fixed manufacturing overhead cost	$ 4,800	$ 23,400	$ 28,200
Estimated variable manufacturing overhead cost per MH	$ 1.10	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job J
Direct materials	$ 12,000	$ 7,700
Direct labor cost	$ 20,700	$ 6,400
Machining machine-hours	700	300
Customizing machine-hours	3,600	5,400

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. The calculated selling price for Job J is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $65,115
B) $67,720
C) $21,705
D) $43,410

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189) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

The amount of overhead applied in the Milling Department to Job A319 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $142,200.00
B) $552.00
C) $96.00
D) $474.00

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190) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

The amount of overhead applied in the Customizing Department to Job A319 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $234.00
B) $786.00
C) $552.00
D) $91,700.00

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191) Comans Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	18,000	13,000
Direct labor-hours	4,000	7,000
Total fixed manufacturing overhead cost	$ 113,400	$ 64,400
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 3.90

During the current month the company started and finished Job A319. The following data were recorded for this job:

Job A319:	Milling	Customizing
Machine-hours	60	10
Direct labor-hours	20	60
Direct materials	$ 655	$ 305
Direct labor cost	$ 400	$ 1,200

If the company marks up its manufacturing costs by 20% then the selling price for Job A319 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $5,042.00
B) $4,584.00
C) $3,820.00
D) $764.00

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192) Sanderlin Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 26,500	$ 13,500	$ 40,000
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job C and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job L
Direct materials	$ 12,500	$ 8,200
Direct labor cost	$ 20,200	$ 6,400
Machining machine-hours	3,400	1,600
Finishing machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $11,680
B) $28,780
C) $17,100
D) $29,900

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193) Sanderlin Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 26,500	$ 13,500	$ 40,000
Estimated variable manufacturing overhead cost per MH	$ 2.00	$ 3.00	

During the most recent month, the company started and completed two jobs—Job C and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job C	Job L
Direct materials	$ 12,500	$ 8,200
Direct labor cost	$ 20,200	$ 6,400
Machining machine-hours	3,400	1,600
Finishing machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 20% on manufacturing cost to establish selling prices. The calculated selling price for Job C is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $87,666
B) $68,920
C) $13,784
D) $82,704

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194) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

The total amount of overhead applied in both departments to Job T268 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $616
B) $715
C) $2,046
D) $1,331

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195) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

The total job cost for Job T268 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $2,595
B) $616
C) $4,831
D) $2,236

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196) Collini Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	17,000	15,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 102,000	$ 61,200
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.10

During the current month the company started and finished Job T268. The following data were recorded for this job:

Job T268:	Machining	Customizing
Machine-hours	80	30
Direct labor-hours	30	50
Direct materials	$ 720	$ 380
Direct labor cost	$ 900	$ 1,500

If the company marks up its manufacturing costs by 40% then the selling price for Job T268 would be closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,932.40
B) $6,763.40
C) $4,831.00
D) $7,440.00

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197) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $28,512
B) $16,632
C) $11,880
D) $17,664

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Introduction to Managerial Accounting 8th edition Brewer Test Bank

198) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. The amount of manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $19,136
B) $5,940
C) $30,888
D) $24,948

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199) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job A is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $14,400
B) $15,120
C) $28,512
D) $29,520

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200) Heroux Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Customizing	Total
Estimated total machine-hours (MHs)	3,000	7,000	10,000
Estimated total fixed manufacturing overhead cost	$ 16,500	$ 20,300	$ 36,800
Estimated variable manufacturing overhead cost per MH	$ 1.70	$ 2.50	

During the most recent month, the company started and completed two jobs—Job A and Job H. There were no beginning inventories. Data concerning those two jobs follow:

	Job A	Job H
Direct materials	$ 12,800	$ 6,700
Direct labor cost	$ 24,300	$ 7,800
Forming machine-hours	2,000	1,000
Customizing machine-hours	2,800	4,200

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job H is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $22,680
B) $30,888
C) $29,880
D) $7,200

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201) Tiff Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Assembly
Machine-hours	17,000	10,000
Direct labor-hours	1,000	5,000
Total fixed manufacturing overhead cost	$ 129,200	$ 46,500
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job P131. The following data were recorded for this job:

Job P131:	Casting	Assembly
Machine-hours	90	20
Direct labor-hours	20	60

The predetermined overhead rate for the Casting Department is closest to:
A) $9.40 per machine-hour
B) $7.60 per machine-hour
C) $1.80 per machine-hour
D) $31.96 per machine-hour

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202) Tiff Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Assembly
Machine-hours	17,000	10,000
Direct labor-hours	1,000	5,000
Total fixed manufacturing overhead cost	$ 129,200	$ 46,500
Variable manufacturing overhead per machine-hour	$ 1.80	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job P131. The following data were recorded for this job:

Job P131:	Casting	Assembly
Machine-hours	90	20
Direct labor-hours	20	60

The amount of overhead applied in the Assembly Department to Job P131 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $228.00
B) $558.00
C) $65,500.00
D) $786.00

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203) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The estimated total manufacturing overhead for the Machining Department is closest to:
A) $137,600
B) $104,000
C) $33,600
D) $310,933

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204) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $40,950
B) $19,800
C) $56,400
D) $76,200

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205) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The predetermined overhead rate for the Machining Department is closest to:
A) $22.93 per machine-hour
B) $6.50 per machine-hour
C) $2.10 per machine-hour
D) $8.60 per machine-hour

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206) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The predetermined overhead rate for the Customizing Department is closest to:
A) $3.30 per direct labor-hour
B) $12.70 per direct labor-hour
C) $9.40 per direct labor-hour
D) $4.76 per direct labor-hour

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207) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The amount of overhead applied in the Machining Department to Job T272 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $137,600.00
B) $126.00
C) $516.00
D) $564.00

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208) Eisentrout Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Customizing
Machine-hours	16,000	11,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 104,000	$ 56,400
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 3.30

During the current month the company started and finished Job T272. The following data were recorded for this job:

Job T272:	Machining	Customizing
Machine-hours	60	30
Direct labor-hours	10	60

The amount of overhead applied in the Customizing Department to Job T272 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $76,200.00
B) $762.00
C) $564.00
D) $198.00

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209) Stoke Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	20,000	15,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 138,000	$ 58,100
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job A460. The following data were recorded for this job:

Job A460:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	50

The amount of overhead applied in the Forming Department to Job A460 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $184,000.00
B) $184.00
C) $736.00
D) $664.00

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210) Stoke Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	20,000	15,000
Direct labor-hours	2,000	7,000
Total fixed manufacturing overhead cost	$ 138,000	$ 58,100
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 3.00

During the current month the company started and finished Job A460. The following data were recorded for this job:

Job A460:	Forming	Assembly
Machine-hours	80	10
Direct labor-hours	30	50

The amount of overhead applied in the Assembly Department to Job A460 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $415.00
B) $150.00
C) $565.00
D) $79,100.00

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211) Vanliere Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	11,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 138,700	$ 52,800
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job A803. The following data were recorded for this job:

Job A803:	Machining	Finishing
Machine-hours	90	20
Direct labor-hours	20	60

The predetermined overhead rate for the Finishing Department is closest to:
A) $8.80 per direct labor-hour
B) $3.98 per direct labor-hour
C) $12.60 per direct labor-hour
D) $3.80 per direct labor-hour

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212) Vanliere Corporation has two production departments, Machining and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Machining	Finishing
Machine-hours	19,000	11,000
Direct labor-hours	3,000	6,000
Total fixed manufacturing overhead cost	$ 138,700	$ 52,800
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.80

During the current month the company started and finished Job A803. The following data were recorded for this job:

Job A803:	Machining	Finishing
Machine-hours	90	20
Direct labor-hours	20	60

The amount of overhead applied in the Machining Department to Job A803 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $828.00
B) $792.00
C) $171.00
D) $174,800.00

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213) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The estimated total manufacturing overhead for the Forming Department is closest to:
A) $36,800
B) $102,400
C) $309,867
D) $139,200

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214) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The estimated total manufacturing overhead for the Assembly Department is closest to:
A) $27,000
B) $55,200
C) $82,200
D) $47,700

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215) Ahlheim Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Assembly
Machine-hours	16,000	15,000
Direct labor-hours	2,000	6,000
Total fixed manufacturing overhead cost	$ 102,400	$ 55,200
Variable manufacturing overhead per machine-hour	$ 2.30	
Variable manufacturing overhead per direct labor-hour		$ 4.50

During the current month the company started and finished Job T924. The following data were recorded for this job:

Job T924:	Forming	Assembly
Machine-hours	70	20
Direct labor-hours	30	40
Direct materials	$ 870	$ 385
Direct labor cost	$ 630	$ 840

The total amount of overhead applied in both departments to Job T924 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $1,157
B) $548
C) $609
D) $1,705

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216) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Forming Department is closest to:
A) $5.60
B) $7.40
C) $1.80
D) $6.05

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217) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.60
B) $4.70
C) $6.05
D) $2.10

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218) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job B is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $9,400
B) $25,160
C) $32,670
D) $34,560

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219) Merati Corporation has two manufacturing departments—Forming and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Forming	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$ 28,000	$ 10,500	$ 38,500
Estimated variable manufacturing overhead cost per MH	$ 1.80	$ 2.60	

During the most recent month, the company started and completed two jobs—Job B and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job L
Forming machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. The manufacturing overhead applied to Job L is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $27,830
B) $11,840
C) $25,940
D) $14,100

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220) Barbeau Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	13,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 119,000	$ 42,000
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job A492. The following data were recorded for this job:

Job A492:	Milling	Customizing
Machine-hours	90	20
Direct labor-hours	20	50

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $63,500
B) $21,500
C) $42,000
D) $33,853

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221) Barbeau Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	13,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 119,000	$ 42,000
Variable manufacturing overhead per machine-hour	$ 1.60	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job A492. The following data were recorded for this job:

Job A492:	Milling	Customizing
Machine-hours	90	20
Direct labor-hours	20	50

The amount of overhead applied in the Milling Department to Job A492 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $146,200.00
B) $144.00
C) $756.00
D) $774.00

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222) Kroeker Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	12,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 112,200	$ 81,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T898. The following data were recorded for this job:

Job T898:	Milling	Customizing
Machine-hours	80	30
Direct labor-hours	20	50

The estimated total manufacturing overhead for the Milling Department is closest to:
A) $240,833
B) $141,100
C) $28,900
D) $112,200

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223) Kroeker Corporation has two production departments, Milling and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Customizing
Machine-hours	17,000	12,000
Direct labor-hours	1,000	9,000
Total fixed manufacturing overhead cost	$ 112,200	$ 81,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 4.30

During the current month the company started and finished Job T898. The following data were recorded for this job:

Job T898:	Milling	Customizing
Machine-hours	80	30
Direct labor-hours	20	50

The amount of overhead applied in the Customizing Department to Job T898 is closest to: **(Round your intermediate calculations to 2 decimal places.)**
A) $450.00
B) $119,700.00
C) $665.00
D) $215.00

224) Petty Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Finishing
Machine-hours	20,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 148,000	$ 88,000
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The estimated total manufacturing overhead for the Milling Department is closest to:
A) $408,000
B) $38,000
C) $148,000
D) $186,000

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225) Petty Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Milling	Finishing
Machine-hours	20,000	14,000
Direct labor-hours	2,000	8,000
Total fixed manufacturing overhead cost	$ 148,000	$ 88,000
Variable manufacturing overhead per machine-hour	$ 1.90	
Variable manufacturing overhead per direct labor-hour		$ 3.60

The predetermined overhead rate for the Finishing Department is closest to:
A) $5.84 per direct labor-hour
B) $3.60 per direct labor-hour
C) $11.00 per direct labor-hour
D) $14.60 per direct labor-hour

226) Garza Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	20,000	13,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 152,000	$ 68,600
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 4.30

The estimated total manufacturing overhead for the Customizing Department is closest to:
A) $54,110
B) $30,100
C) $98,700
D) $68,600

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227) Garza Corporation has two production departments, Casting and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Customizing
Machine-hours	20,000	13,000
Direct labor-hours	1,000	7,000
Total fixed manufacturing overhead cost	$ 152,000	$ 68,600
Variable manufacturing overhead per machine-hour	$ 2.10	
Variable manufacturing overhead per direct labor-hour		$ 4.30

The predetermined overhead rate for the Casting Department is closest to:
A) $9.70 per machine-hour
B) $7.60 per machine-hour
C) $2.10 per machine-hour
D) $27.71 per machine-hour

228) Marciante Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 105,400	$ 52,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The estimated total manufacturing overhead for the Casting Department is closest to:
A) $387,260
B) $134,300
C) $28,900
D) $105,400

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229) Marciante Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Casting	Finishing
Machine-hours	17,000	10,000
Direct labor-hours	2,000	5,000
Total fixed manufacturing overhead cost	$ 105,400	$ 52,000
Variable manufacturing overhead per machine-hour	$ 1.70	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The estimated total manufacturing overhead for the Finishing Department is closest to:
A) $71,500
B) $52,000
C) $34,794
D) $19,500

230) Jurica Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Customizing
Machine-hours	19,000	15,000
Direct labor-hours	4,000	6,000
Total fixed manufacturing overhead cost	$ 100,700	$ 63,000
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The predetermined overhead rate for the Forming Department is closest to:
A) $23.12 per machine-hour
B) $2.00 per machine-hour
C) $5.30 per machine-hour
D) $7.30 per machine-hour

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231) Jurica Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

	Forming	Customizing
Machine-hours	19,000	15,000
Direct labor-hours	4,000	6,000
Total fixed manufacturing overhead cost	$ 100,700	$ 63,000
Variable manufacturing overhead per machine-hour	$ 2.00	
Variable manufacturing overhead per direct labor-hour		$ 3.90

The predetermined overhead rate for the Customizing Department is closest to:
A) $4.55 per direct labor-hour
B) $3.90 per direct labor-hour
C) $10.50 per direct labor-hour
D) $14.40 per direct labor-hour

232) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. That predetermined manufacturing overhead rate is closest to:
A) $4.70
B) $7.40
C) $6.48
D) $3.70

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233) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Casting Department is closest to:
A) $1.50
B) $7.40
C) $5.90
D) $6.48

234) Claybrooks Corporation has two manufacturing departments—Casting and Assembly. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Assembly	Total
Estimated total machine-hours (MHs)	3,000	2,000	5,000
Estimated total fixed manufacturing overhead cost	$ 17,700	$ 5,800	$ 23,500
Estimated variable manufacturing overhead cost per MH	$ 1.50	$ 2.20	

Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. The departmental predetermined overhead rate in the Assembly Department is closest to:
A) $2.90
B) $6.48
C) $5.10
D) $2.20

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235) Linnear Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	30,000
	Total fixed manufacturing overhead cost	$144,000
	Variable manufacturing overhead per machine-hour	$4.00

Required:
Calculate the estimated total manufacturing overhead for the year.

236) Dallman Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $287,000, and a variable manufacturing overhead rate of $3.50 per machine-hour.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.

237) Henkes Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the company estimated the labor-hours for the upcoming year at 66,000 labor-hours. The estimated variable manufacturing overhead was $8.41 per labor-hour and the estimated total fixed manufacturing overhead was $1,533,180. The actual labor-hours for the year turned out to be 68,400 labor-hours.

Required:
Compute the company's predetermined overhead rate for the recently completed year.

238) Crowson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$390,000
	Variable manufacturing overhead per machine-hour	$3.60

Required:
Calculate the predetermined overhead rate for the year.

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239) Cannizzaro Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $248,000, and a variable manufacturing overhead rate of $3.80 per machine-hour.

Required:
Calculate the predetermined overhead rate for the year.

240) Quiet Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $152,000, and a variable manufacturing overhead rate of $3.10 per machine-hour.

Required:
Calculate the estimated total manufacturing overhead for the year.

241) Mccaughan Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. Data for the most recently completed year appear below:

Estimates made at the beginning of the year:			
Estimated labor-hours		37,000	
Estimated variable manufacturing overhead	$	4.43	per labor-hour
Estimated total fixed manufacturing overhead	$	705,220	
Actual labor-hours for the year		32,100	

Required:
Compute the company's predetermined overhead rate for the recently completed year.

242) Moscone Corporation bases its predetermined overhead rate on the estimated labor-hours for the upcoming year. At the beginning of the most recently completed year, the company estimated the labor-hours for the upcoming year at 78,000 labor-hours. The estimated variable manufacturing overhead was $9.99 per labor-hour and the estimated total fixed manufacturing overhead was $985,920.

Required:
Compute the company's predetermined overhead rate.

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243) Lightner Corporation bases its predetermined overhead rate on the estimated machine-hours for the upcoming year. Data for the upcoming year appear below:

Estimated machine-hours		50,000	
Estimated variable manufacturing overhead	$	8.82	per machine-hour
Estimated total fixed manufacturing overhead	$	1,077,000	

Required:
Compute the company's predetermined overhead rate.

244) Florek Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total direct labor-hours	10,000
	Total fixed manufacturing overhead cost	$31,000
	Variable manufacturing overhead per direct labor-hour	$2.50

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.

245) Meenach Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 80,000 direct labor-hours, total fixed manufacturing overhead cost of $160,000, and a variable manufacturing overhead rate of $2.30 per direct labor-hour. Recently Job X387 was completed and required 120 direct labor-hours.

Required:
Calculate the amount of overhead applied to Job X387.

246) Weakley Corporation uses a predetermined overhead rate that was based on estimated total fixed manufacturing overhead of $358,000 and 20,000 machine-hours for the period. The company incurred actual total fixed manufacturing overhead of $382,000 and 18,300 total machine-hours during the period.

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

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247) Fillmore Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 60,000 direct labor-hours, total fixed manufacturing overhead cost of $96,000, and a variable manufacturing overhead rate of $3.30 per direct labor-hour. Recently Job X809 was completed and required 100 direct labor-hours.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X809.

248) Thrall Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	10,000
	Total fixed manufacturing overhead cost	$50,000
	Variable manufacturing overhead per machine-hour	$3.90

Recently Job K125 was completed and required 160 machine-hours.

Required:
Calculate the amount of overhead applied to Job K125.

249) Verry Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	60,000
Total fixed manufacturing overhead cost	$342,000
Variable manufacturing overhead per direct labor-hour	$2.40

Recently Job X711 was completed and required 90 direct labor-hours.

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X711.

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250) Trevigne Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

Estimated total fixed manufacturing overhead from the beginning of the year	$114,000	
Estimated activity level from the beginning of the year	10,000	machine-hours
Actual total fixed manufacturing overhead	$104,000	
Actual activity level	9,400	machine-hours

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

251) Luarca Corporation has two manufacturing departments—Casting and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Customizing	Total
Estimated total machine-hours (MHs)	2,000	3,000	5,000
Estimated total fixed manufacturing overhead cost	$11,600	$7,200	$18,800
Estimated variable manufacturing overhead cost per MH	$1.90	$2.80	

During the most recent month, the company started and completed two jobs—Job F and Job L. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job L
Direct materials	$10,600	$6,600
Direct labor cost	$24,400	$8,600
Casting machine-hours	1,400	600
Customizing machine-hours	1,200	1,800

Required:
Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling prices for Job F and Job L.

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252) Lamberson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$460,000
	Variable manufacturing overhead per machine-hour	$3.10

Recently Job P647 was completed with the following characteristics:

	Number of units in the job	50
	Total machine-hours	150
	Direct materials	$740
	Direct labor cost	$6,000

Required:
a. Calculate the amount of overhead applied to Job P647.
b. Calculate the total job cost for Job P647.
c. Calculate the unit product cost for Job P647.

253) Mcewan Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 20,000 direct labor-hours, total fixed manufacturing overhead cost of $182,000, and a variable manufacturing overhead rate of $2.50 per direct labor-hour. Job X941, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	250
	Direct materials	$740
	Direct labor cost	$6,500

Required:
Calculate the selling price for Job X941 if the company marks up its unit product costs by 20%.

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254) Teasley Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $630,000, and a variable manufacturing overhead rate of $3.40 per machine-hour. Job X159 was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	200
	Direct materials	$670
	Direct labor cost	$7,800

Required:
Calculate the total job cost for Job X159.

255) Alsobrooks Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	40,000
	Total fixed manufacturing overhead cost	$156,000
	Variable manufacturing overhead per machine-hour	$2.20

Recently Job M242 was completed with the following characteristics:

	Number of units in the job	20
	Total machine-hours	60
	Direct materials	$725
	Direct labor cost	$1,680

Required:
a. Calculate the total job cost for Job M242.
b. Calculate the unit product cost for Job M242.

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256) Ryans Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	10,000
	Total fixed manufacturing overhead cost	$71,000
	Variable manufacturing overhead per machine-hour	$2.50

Recently Job P512 was completed with the following characteristics:

	Number of units in the job	30
	Total machine-hours	60
	Direct materials	$870
	Direct labor cost	$2,400

Required:
a. Calculate the predetermined overhead rate for the year.
b. Calculate the amount of overhead applied to Job P512.
c. Calculate the total job cost for Job P512.
d. Calculate the unit product cost for Job P512.

257) Lezo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 40,000 machine-hours, total fixed manufacturing overhead cost of $136,000, and a variable manufacturing overhead rate of $2.90 per machine-hour. Job A290, which was for 60 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	300
	Direct materials	$585
	Direct labor cost	$7,200

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job A290.
d. Calculate the total job cost for Job A290.

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258) Whitlatch Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	60,000
	Total fixed manufacturing overhead cost	$342,000
	Variable manufacturing overhead per machine-hour	$2.70

Recently Job M238 was completed with the following characteristics:

	Number of units in the job	70
	Total machine-hours	140
	Direct materials	$945
	Direct labor cost	$2,800

Required:
Calculate the total job cost for Job M238.

259) Obermeyer Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 10,000 direct labor-hours, total fixed manufacturing overhead cost of $96,000, and a variable manufacturing overhead rate of $3.60 per direct labor-hour. Job A735, which was for 40 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	200
	Direct materials	$540
	Direct labor cost	$6,400

Required:
a. Calculate the amount of overhead applied to Job A735.
b. Calculate the total job cost for Job A735.
c. Calculate the unit product cost for Job A735.

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260) Olmscheid Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Molding	Customizing	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$21,000	$14,000	$35,000
Estimated variable manufacturing overhead cost per MH	$1.50	$2.40	

During the period, the company started and completed two jobs—Job F and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job F	Job K
Direct materials	$12,700	$6,400
Direct labor cost	$19,100	$7,900
Molding machine-hours	3,400	1,600
Customizing machine-hours	2,000	3,000

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job F.

c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job K.

d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job F.

e. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job K.

f. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 30% on manufacturing cost to establish selling prices. Calculate the selling price for Job F.

g. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 30% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.

h. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. If both jobs were sold during the month, what was the company's cost of goods sold for the month?

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261) Cardosa Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 70,000 machine-hours, total fixed manufacturing overhead cost of $308,000, and a variable manufacturing overhead rate of $2.10 per machine-hour. Job M556, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	100
	Direct materials	$555
	Direct labor cost	$2,700

Required:
a. Calculate the total job cost for Job M556.
b. Calculate the unit product cost for Job M556.

262) Dietzen Corporation has two manufacturing departments—Casting and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Casting	Finishing	Total
Estimated total machine-hours (MHs)	4,000	6,000	10,000
Estimated total fixed manufacturing overhead cost	$18,000	$18,000	$36,000
Estimated variable manufacturing overhead cost per MH	$1.50	$2.30	

During the most recent month, the company started and completed two jobs—Job D and Job J. There were no beginning inventories. Data concerning those two jobs follow:

	Job D	Job J
Direct materials	$14,300	$6,800
Direct labor cost	$21,700	$8,800
Casting machine-hours	2,700	1,300
Finishing machine-hours	2,400	3,600

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job D.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job J.

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263) Posson Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 20,000 machine-hours, total fixed manufacturing overhead cost of $130,000, and a variable manufacturing overhead rate of $3.00 per machine-hour. Job K789, which was for 10 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	30
	Direct materials	$775
	Direct labor cost	$1,170

Required:
a. Calculate the predetermined overhead rate for the year.
b. Calculate the amount of overhead applied to Job K789.
c. Calculate the total job cost for Job K789.
d. Calculate the unit product cost for Job K789.

264) Rondo Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	30,000
	Total fixed manufacturing overhead cost	$252,000
	Variable manufacturing overhead per machine-hour	$2.90

Recently Job T506 was completed with the following characteristics:

	Number of units in the job	70
	Total machine-hours	210
	Direct materials	$665
	Direct labor cost	$6,720

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job T506.
d. Calculate the total job cost for Job T506.
e. Calculate the unit product cost for Job T506.
f. Calculate the selling price for Job T506 if the company marks up its unit product costs by 20%.

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265) Leadley Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total direct labor-hours	10,000
	Total fixed manufacturing overhead cost	$76,000
	Variable manufacturing overhead per direct labor-hour	$2.10

Recently Job X701 was completed with the following characteristics:

	Number of units in the job	90
	Total direct labor-hours	270
	Direct materials	$590
	Direct labor cost	$6,480

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job X701.
d. Calculate the total job cost for Job X701.

266) Pasko Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on the following data:

Total direct labor-hours	30,000
Total fixed manufacturing overhead cost	$258,000
Variable manufacturing overhead per direct labor-hour	$2.00

Recently Job P660 was completed with the following characteristics:

Number of units in the job	50
Total direct labor-hours	250
Direct materials	$645
Direct labor cost	$10,000

Required:
Calculate the selling price for Job P660 if the company marks up its unit product costs by 20%.

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267) Leeds Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	50,000
	Total fixed manufacturing overhead cost	$215,000
	Variable manufacturing overhead per machine-hour	$3.80

Recently Job T496 was completed with the following characteristics:

	Number of units in the job	80
	Total machine-hours	240
	Direct materials	$735
	Direct labor cost	$8,880

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job T496.
d. Calculate the total job cost for Job T496.
e. Calculate the unit product cost for Job T496.

268) Petru Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on the following data:

	Total machine-hours	70,000
	Total fixed manufacturing overhead cost	$525,000
	Variable manufacturing overhead per machine-hour	$2.30

Recently Job P987 was completed with the following characteristics:

	Number of units in the job	20
	Total machine-hours	80
	Direct materials	$630
	Direct labor cost	$2,080

Required:
Calculate the unit product cost for Job P987.

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269) Franta Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on direct labor-hours. The company based its predetermined overhead rate for the current year on 70,000 direct labor-hours, total fixed manufacturing overhead cost of $238,000, and a variable manufacturing overhead rate of $2.70 per direct labor-hour. Job P873, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total direct labor-hours	200
	Direct materials	$630
	Direct labor cost	$4,800

Required:
Calculate the unit product cost for Job P873.

270) Temby Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 10,000 machine-hours, total fixed manufacturing overhead cost of $88,000, and a variable manufacturing overhead rate of $3.20 per machine-hour. Job K418, which was for 50 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	150
	Direct materials	$580
	Direct labor cost	$3,900

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job K418.
d. Calculate the total job cost for Job K418.
e. Calculate the unit product cost for Job K418.
f. Calculate the selling price for Job K418 if the company marks up its unit product costs by 30%.

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271) Saxon Corporation uses a job-order costing system with a single plantwide predetermined overhead rate based on machine-hours. The company based its predetermined overhead rate for the current year on 10,000 machine-hours, total fixed manufacturing overhead cost of $91,000, and a variable manufacturing overhead rate of $2.40 per machine-hour. Job K373, which was for 60 units of a custom product, was recently completed. The job cost sheet for the job contained the following data:

	Total machine-hours	120
	Direct materials	$645
	Direct labor cost	$3,720

Required:
a. Calculate the estimated total manufacturing overhead for the year.
b. Calculate the predetermined overhead rate for the year.
c. Calculate the amount of overhead applied to Job K373.
d. Calculate the total job cost for Job K373.
e. Calculate the unit product cost for Job K373.

272) Kluth Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

		Molding	Customizing	Total
	Estimated total machine-hours (MHs)	3,000	2,000	5,000
	Estimated total fixed manufacturing overhead cost	$15,900	$4,200	$20,100
	Estimated variable manufacturing overhead cost per MH	$1.20	$2.40	

During the most recent month, the company started and completed two jobs—Job C and Job M. There were no beginning inventories. Data concerning those two jobs follow:

		Job C	Job M
	Direct materials	$15,600	$8,600
	Direct labor cost	$25,100	$8,300
	Molding machine-hours	2,000	1,000
	Customizing machine-hours	800	1,200

Required:
Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 20% on manufacturing cost to establish selling prices. Calculate the selling prices for Job C and for Job M.

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273) Amason Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Assembly
	Machine-hours	16,000	11,000
	Direct labor-hours	2,000	6,000
	Total fixed manufacturing overhead cost	$102,400	$66,000
	Variable manufacturing overhead per machine-hour	$1.90	
	Variable manufacturing overhead per direct labor-hour		$3.80

During the current month the company started and finished Job A950. The following data were recorded for this job:

	Job A950:	Forming	Assembly
	Machine-hours	50	20
	Direct labor-hours	20	40
	Direct materials	$665	$415
	Direct labor cost	$520	$1,040

Required:
Calculate the selling price for Job A950 if the company marks up its unit product costs by 30% to determine selling prices.

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274) Dancel Corporation has two production departments, Milling and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Milling Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Milling	Finishing
	Machine-hours	17,000	14,000
	Direct labor-hours	1,000	6,000
	Total fixed manufacturing overhead cost	$91,800	$64,200
	Variable manufacturing overhead per machine-hour	$2.00	
	Variable manufacturing overhead per direct labor-hour		$3.40

During the current month the company started and finished Job M565. The following data were recorded for this job:

	Job M565:	Milling	Finishing
	Machine-hours	70	20
	Direct labor-hours	10	40
	Direct materials	$750	$360
	Direct labor cost	$340	$1,360

Required:
a. Calculate the total amount of overhead applied to Job M565 in both departments.
b. Calculate the total job cost for Job M565.
c. Calculate the selling price for Job M565 if the company marks up its unit product costs by 20% to determine selling prices.

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275) Pangle Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Customizing
	Machine-hours	16,000	12,000
	Direct labor-hours	4,000	9,000
	Total fixed manufacturing overhead cost	$91,200	$99,000
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job M109. The following data were recorded for this job:

	Job M109:	Forming	Customizing
	Machine-hours	50	30
	Direct labor-hours	20	50
	Direct materials	$915	$355
	Direct labor cost	$620	$1,550

Required:
Calculate the total job cost for Job M109.

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276) Vasilopoulos Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Assembly
	Machine-hours	17,000	11,000
	Direct labor-hours	3,000	6,000
	Total fixed manufacturing overhead cost	$119,000	$51,000
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job A182. The following data were recorded for this job:

	Job A182:	Casting	Assembly
	Machine-hours	50	20
	Direct labor-hours	10	50
	Direct materials	$895	$365
	Direct labor cost	$240	$1,200

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the estimated total manufacturing overhead for the Assembly Department.
c. Calculate the predetermined overhead rate for the Casting Department.
d. Calculate the predetermined overhead rate for the Assembly Department.
e. Calculate the total amount of overhead applied to Job A182 in both departments.
f. Calculate the total job cost for Job A182.
g. Calculate the selling price for Job A182 if the company marks up its unit product costs by 20% to determine selling prices.

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277) Hultquist Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

		Forming	Customizing	Total
	Estimated total machine-hours (MHs)	9,000	1,000	10,000
	Estimated total fixed manufacturing overhead cost	$50,400	$2,600	$53,000
	Estimated variable manufacturing overhead cost per MH	$1.70	$2.10	

During the period, the company started and completed two jobs—Job C and Job L. Data concerning those two jobs follow:

		Job C	Job L
	Direct materials	$15,100	$6,900
	Direct labor cost	$20,800	$8,500
	Forming machine-hours	6,100	2,900
	Customizing machine-hours	400	600

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job L.
c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job L.
d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job L.
e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Forming department?
f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Customizing department?
g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job L?
h. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job L.

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278) Carcana Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	1,000	4,000	5,000
Estimated total fixed manufacturing overhead cost	$4,200	$8,800	$13,000
Estimated variable manufacturing overhead cost per MH	$1.90	$2.90	

During the period, the company started and completed two jobs—Job E and Job G. Data concerning those two jobs follow:

	Job E	Job G
Direct materials	$11,800	$8,000
Direct labor cost	$19,200	$6,700
Machining machine-hours	700	300
Finishing machine-hours	1,600	2,400

Required:

a. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Machining department?

b. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Finishing department?

c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job E?

d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job G?

e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job G.

g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. If both jobs were sold during the month, what was the company's cost of goods sold for the month?

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279) Braegelmann Corporation has two production departments, Casting and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Assembly
	Machine-hours	20,000	14,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$110,000	$65,400
	Variable manufacturing overhead per machine-hour	$1.60	
	Variable manufacturing overhead per direct labor-hour		$4.50

During the current month the company started and finished Job K246. The following data were recorded for this job:

	Job K246:	Casting	Assembly
	Machine-hours	60	30
	Direct labor-hours	20	40
	Direct materials	$950	$305
	Direct labor cost	$460	$920

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the estimated total manufacturing overhead for the Assembly Department.
c. Calculate the predetermined overhead rate for the Casting Department.
d. Calculate the predetermined overhead rate for the Assembly Department.
e. Calculate the amount of overhead applied in the Casting Department to Job K246.
f. Calculate the amount of overhead applied in the Assembly Department to Job K246.
g. Calculate the total job cost for Job K246.
h. Calculate the selling price for Job K246 if the company marks up its unit product costs by 40% to determine selling prices.

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280) Matrejek Corporation has two manufacturing departments—Forming and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

		Forming	Customizing	Total
	Estimated total machine-hours (MHs)	8,000	2,000	10,000
	Estimated total fixed manufacturing overhead cost	$36,800	$4,800	$41,600
	Estimated variable manufacturing overhead cost per MH	$1.60	$2.90	

During the most recent month, the company started and completed two jobs—Job D and Job K. There were no beginning inventories. Data concerning those two jobs follow:

		Job D	Job K
	Direct materials	$15,600	$6,900
	Direct labor cost	$19,100	$8,700
	Forming machine-hours	5,400	2,600
	Customizing machine-hours	800	1,200

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job D.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.

c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job D.

d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 50% on manufacturing cost to establish selling prices. Calculate the selling price for Job K.

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281) Harnett Corporation has two manufacturing departments—Molding and Assembly. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

	Molding	Assembly	Total
Estimated total machine-hours (MHs)	5,000	5,000	10,000
Estimated total fixed manufacturing overhead cost	$29,000	$13,500	$42,500
Estimated variable manufacturing overhead cost per MH	$1.20	$2.30	

During the period, the company started and completed two jobs—Job E and Job M. Data concerning those two jobs follow:

	Job E	Job M
Direct materials	$14,300	$9,400
Direct labor cost	$22,800	$8,900
Molding machine-hours	3,400	1,600
Assembly machine-hours	2,000	3,000

Required:

a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.

b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job E.

c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job E.

d. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours and uses a markup of 60% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Molding department?

f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Assembly department?

g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job E?

h. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 60% on manufacturing cost to establish selling prices. Calculate the selling price for Job E.

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282) Bulla Corporation has two production departments, Machining and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Machining Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Machining	Customizing
	Machine-hours	19,000	13,000
	Direct labor-hours	2,000	9,000
	Total fixed manufacturing overhead cost	$98,800	$84,600
	Variable manufacturing overhead per machine-hour	$2.10	
	Variable manufacturing overhead per direct labor-hour		$3.60

During the current month the company started and finished Job K369. The following data were recorded for this job:

	Job K369:	Machining	Customizing
	Machine-hours	90	10
	Direct labor-hours	20	50

Required:
Calculate the total amount of overhead applied to Job K369 in both departments.

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283) Bierce Corporation has two manufacturing departments—Machining and Finishing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

	Machining	Finishing	Total
Estimated total machine-hours (MHs)	4,000	1,000	5,000
Estimated total fixed manufacturing overhead cost	$20,000	$2,100	$22,100
Estimated variable manufacturing overhead cost per MH	$1.40	$2.80	

During the most recent month, the company started and completed two jobs—Job B and Job K. There were no beginning inventories. Data concerning those two jobs follow:

	Job B	Job K
Direct materials	$12,800	$7,900
Direct labor cost	$24,700	$6,400
Machining machine-hours	2,700	1,300
Finishing machine-hours	400	600

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job B.
c. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job K.
d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both departments. What is the *departmental* predetermined overhead rate in the Machining department?
e. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the *departmental* predetermined overhead rate in the Finishing department?
f. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job B?
g. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job K?

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284) Gercak Corporation has two production departments, Forming and Assembly. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Assembly Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Assembly
	Machine-hours	16,000	11,000
	Direct labor-hours	2,000	7,000
	Total fixed manufacturing overhead cost	$100,800	$76,300
	Variable manufacturing overhead per machine-hour	$1.70	
	Variable manufacturing overhead per direct labor-hour		$3.10

During the current month the company started and finished Job X560. The following data were recorded for this job:

	Job X560:	Forming	Assembly
	Machine-hours	50	30
	Direct labor-hours	30	40

Required:
a. Calculate the estimated total manufacturing overhead for the Assembly Department.
b. Calculate the predetermined overhead rate for the Forming Department.
c. Calculate the total amount of overhead applied to Job X560 in both departments.

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285) Sonneborn Corporation has two manufacturing departments—Molding and Customizing. The company used the following data at the beginning of the year to calculate predetermined overhead rates:

		Molding	Customizing	Total
	Estimated total machine-hours (MHs)	1,000	9,000	10,000
	Estimated total fixed manufacturing overhead cost	$5,100	$23,400	$28,500
	Estimated variable manufacturing overhead cost per MH	$1.50	$2.50	

During the most recent month, the company started and completed two jobs—Job D and Job G. There were no beginning inventories. Data concerning those two jobs follow:

		Job D	Job G
	Direct materials	$14,700	$9,100
	Direct labor cost	$18,800	$8,300
	Molding machine-hours	700	300
	Customizing machine-hours	3,600	5,400

Required:
a. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job D.
b. Assume that the company uses a *plantwide* predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job G.
c. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job D?
d. Assume that the company uses *departmental* predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job G?

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286) Rocher Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Finishing
	Machine-hours	17,000	13,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$124,100	$52,200
	Variable manufacturing overhead per machine-hour	$2.30	
	Variable manufacturing overhead per direct labor-hour		$4.00

During the current month the company started and finished Job A394. The following data were recorded for this job:

	Job A394:	Casting	Finishing
	Machine-hours	80	20
	Direct labor-hours	10	40

Required:
a. Calculate the estimated total manufacturing overhead for the Casting Department.
b. Calculate the predetermined overhead rate for the Casting Department.
c. Calculate the amount of overhead applied in the Casting Department to Job A394.

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287) Marius Corporation has two production departments, Casting and Finishing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Casting Department's predetermined overhead rate is based on machine-hours and the Finishing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Casting	Finishing
	Machine-hours	18,000	12,000
	Direct labor-hours	4,000	6,000
	Total fixed manufacturing overhead cost	$118,800	$57,600
	Variable manufacturing overhead per machine-hour	$2.20	
	Variable manufacturing overhead per direct labor-hour		$4.00

During the current month the company started and finished Job K895. The following data were recorded for this job:

	Job K895:	Casting	Finishing
	Machine-hours	70	30
	Direct labor-hours	20	60

Required:
a. Calculate the estimated total manufacturing overhead for the Finishing Department.
b. Calculate the predetermined overhead rate for the Finishing Department.
c. Calculate the amount of overhead applied in the Finishing Department to Job K895.

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288) Madole Corporation has two production departments, Forming and Customizing. The company uses a job-order costing system and computes a predetermined overhead rate in each production department. The Forming Department's predetermined overhead rate is based on machine-hours and the Customizing Department's predetermined overhead rate is based on direct labor-hours. At the beginning of the current year, the company had made the following estimates:

		Forming	Customizing
	Machine-hours	19,000	12,000
	Direct labor-hours	4,000	8,000
	Total fixed manufacturing overhead cost	$119,700	$67,200
	Variable manufacturing overhead per machine-hour	$2.00	
	Variable manufacturing overhead per direct labor-hour		$4.20

During the current month the company started and finished Job K973. The following data were recorded for this job:

	Job K973:	Forming	Customizing
	Machine-hours	50	20
	Direct labor-hours	20	50

Required:
a. Calculate the estimated total manufacturing overhead for the Forming Department.
b. Calculate the predetermined overhead rate for the Customizing Department.
c. Calculate the total overhead applied to Job K973 in both departments.

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289) Sullen Corporation uses a predetermined overhead rate base on machine-hours that it recalculates at the beginning of each year. The company has provided the following data for the most recent year.

	Predetermined overhead rate	$14.30	per machine-hour
	Estimated total fixed manufacturing overhead from the beginning of the year	$572,000	
	Estimated activity level from the beginning of the year	40,000	machine-hours
	Actual total fixed manufacturing overhead	$605,000	
	Actual activity level	36,700	machine-hours

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

290) Levi Corporation uses a predetermined overhead rate of $23.40 per direct labor-hour. This predetermined overhead rate was based on estimated total fixed manufacturing overhead of $702,000 and 30,000 direct labor-hours for the period. The company incurred actual total fixed manufacturing overhead of $738,000 and 27,100 total direct labor-hours during the period.

Required:
Determine the amount of manufacturing overhead that would have been applied to all jobs during the period.

291) Job 243 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 48,870	
Direct labor-hours	405	labor-hours
Direct labor wage rate	$ 13	per labor-hour
Machine-hours	486	machine-hours
Number of units completed	2,700	units

The company applies manufacturing overhead on the basis of machine-hours. The predetermined overhead rate is $11 per machine-hour.

Required:

Compute the unit product cost that would appear on the job cost sheet for this job.

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292) Job 652 was recently completed. The following data have been recorded on its job cost sheet:

Direct materials	$ 59,400	
Direct labor-hours	1,224	DLHs
Direct labor wage rate	$ 15	per DLH
Number of units completed	3,600	units

The company applies manufacturing overhead on the basis of direct labor-hours. The predetermined overhead rate is $35 per direct labor-hour.

Required:
Compute the unit product cost that would appear on the job cost sheet for this job.

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