Sweatshirts, Inc. Makes two types of sweatshirts: plain and deluxe. Both types of sweatshirts go through two operations: cutting and sewing. The deluxe sweatshirts go through a third operation that prints emblems and words on them. The deluxe sweatshirts also have more expensive material used on them. After manufacture, sweatshirts are warehoused for sale to department stores.

The following data is available for a one month period:

|  |  |  |
| --- | --- | --- |
|  | Deluxe | Plain |
| Quantity produced | 10,000 | 12,000 |
| Direct materials | $50,000 | $48,000 |
| Conversion Costs: |  |  |
| Cutting $22,000 |  |  |
| Sewing $22,000 |  |  |
| Printing $ 5,000 |  |  |
| Total $ 49,000 |  |  |

How much does a deluxe sweatshirt cost to manufacture?

Sweatshirts, Inc. uses what kind of production cost system?