**Practice Exercise**

1. Your boss gave you the following info, compute direct materials used.

 Purchase of direct materials……………………... $6,400

Freight in……………………………………………. 200

Property taxes……………………………………….. 900

Ending Inventory of direct materials……..……….. 1,500

Beginning Inventory of direct materials…………... 4,000

Compute direct materials used

Cookie Messages direct materials used

Debit Credit

Adj Inv. for supply Inv. 4,000

Beginning Inv 4,000

Material Expense 6,400

Material Inventory 6,400

Supply Purchase 200

Freight In 200

Less: actual supplies on-hand -(1,500)

Ending Inv.of direct Mat. -(1,500)

Total: 9,100 9,100

My question

I got two answers $8,200 when I account for the taxes and $9,100 without taxes, how do I account for the taxes or is it required?