The purchasing department of a manufacturing firm has decided to apply its costs to jobs using an activity based costing system. Its costs of $490,000 are split among the three major activities:

Activity Cost Allocation Measure Total Activity

Finding suppliers $ 300,000 Number of telephone calls 200,000 calls

Issuing purchase orders $ 100,000 Number of purchase orders 25,000 orders

Reviewing receiving reports $ 90,000 Number of receiving reports 20,000 reports

1. (6 pts) From the information provided, **determine the three allocation rates** (one for each cost pool) to be used by an activity based costing system.

2. (6 pts) For one job that was produced by the firm, the following purchasing department activities were completed: 200 phone calls were made, 50 purchase orders were issued, and 40 separate incoming orders (receiving reports) were received. What **amount of purchasing department cost** would be assigned to this job?