A Company uses a job-order costing system and a predetermined overhead rate based on machine hours. At the beginning of the year, the company estimated manufacturing overhead for the year would be $180,000 and machine hours used would be 12,000.

The following information pertains to January of the current year:

Job 101 Job 102 Job 103 Totals

Work in process, January 1 $12,000 $19,500 $28,500 $60,000

January production activity:

Materials requisitioned $ 3,000 $ 3,600 $ 5,400 $12,000

Direct labor costs $ 1,800 $ 2,700 $ 3,000 $ 7,500

Machine hours 600 1,050 1,350 3,000

Actual manufacturing overhead costs incurred in January were $46,750.

Required:

a. Compute the predetermined overhead application rate.

b. Determine the total cost associated with each job.