The Beaver Corporation has budgeted sales for next year as follows:

\_ Quarter \_

First Second Third Fourth

Sales in Units……………………10,000 13,000 16,500 15,000

1. The ending inventory of finished goods for each quarter should equal 30% of the next quarter’s budgeted sales in units. The finished goods inventory at the start of the year is 2,500 units. Schedules production for the third quarter should be what? Please show your work step by step.

The following are budgeted data from Spunky Corporation:

Sales (units) Production (units)

May………………………………….. 10,000 12,500

June…………………………………..13,000 15,000

July……………………………………14,000 12,000

2. Each unit requires 0.68 hours of direct labor at a cost of $5.50 per hour. What is the cost of direct labor for June? Please show your work step by step.