|  |
| --- |
| **Question 7** |

|  |
| --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |
| --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Dinkel Manufacturing Corporation accumulates the following data relative to jobs started and finished during the month of June 2008.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Costs and Production Data** | **Actual** | | **Standard** | | | Raw materials unit cost | $2.70 |  | $2.40 |  | | Raw materials units used | 10,650 |  | 10,040 |  | | Direct labor payroll | $147,186 |  | $144,288 |  | | Direct labor hours worked | 14,430 |  | 15,030 |  | | Manufacturing overhead incurred | $184,900 |  |  |  | | Manufacturing overhead applied |  |  | $189,378 |  | | Machine hours expected to be used at normal capacity |  |  | 42,500 |  | | Budgeted fixed overhead for June |  |  | $51,000 |  | | Variable overhead rate per hour |  |  | $3.00 |  | | Fixed overhead rate per hour |  |  | $1.20 |  |   Overhead is applied on the basis of standard machine hours. Three hours of machine time are required for each direct labor hour. The jobs were sold for $457,800. Selling and administrative expenses were $40,000. Assume that the amount of raw materials purchased equaled the amount used.   |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |
| --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Compute all of the variances for (1) direct materials and (2) direct labor.   |  |  |  | | --- | --- | --- | | Total materials variance | $ |  | | Materials price variance | $ |  | | Materials quantity variance | $ |  | | Total labor variance | $ |  | | Labor price variance | $ |  | | Labor quantity variance | $ |  |  |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |
| --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | Compute the total overhead variance.  $   |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |
| --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Prepare an income statement for management. Ignore income taxes. ***(List amounts from largest positive to smallest positive followed by most negative to least negative, e.g. 15, 14, 10, -17, -5, -1.  For negative numbers use either a negative sign preceding the number eg -45 or parentheses eg (45).)***   |  |  |  | | --- | --- | --- | | **DINKEL MANUFACTURING CORPORATION** | | | | **Income Statement** | | | | **For the Month Ended June 30, 2008** | | | |  |  | $ | |  |  |  | | Gross profit (at standard) |  |  | | Variances |  |  | |  | $ |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | Total variance - |  |  | | Gross profit (actual) |  |  | |  |  |  | | Net income |  | $ |  |  | | --- | |  | | | |