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| Packaging Solutions Corporation manufactures and sells a wide variety of packaging products. Performance reports are prepared monthly for each department. The planning budget and flexible budget for the Production Department are based on the following formulas, where q is the number of labor-hours worked in a month: |

Cost Formulas

|  |  |
| --- | --- |
| Direct labor | $14.80q  |
|  Indirect labor | $7,300 + $1.40q |
| Utilities | $8,200 + $0.70q |
| Supplies | $1,000 + $0.20q  |
| Equipment depreciation | $22,500 + $3.10q  |
| Factory rent | $6,600  |
| Property taxes | $1,540 |
|  Factory administration | $11,650 + $1.70q   |
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| The actual costs incurred in March in the Production Department are listed below: |

|  |  |
| --- | --- |
|   | Actual CostIncurred in March |
|   Direct labor | $123,730        |
|   Indirect labor | $19,060        |
|   Utilities | $16,370        |
|   Supplies | $3,070        |
|   Equipment depreciation | $51,330        |
|   Factory rent | $8,100        |
|   Property taxes | $1,540        |
|   Factory administration | $20,570       |

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| **Requirement 1:** |
| The company had budgeted for an activity level of 10,000 labor-hours in March. Prepare the Production Department's planning budget for the month.**(Input all amounts as positive values. Omit the "$" sign in your response.)** |
| Packaging Solutions CorporationProduction Department Planning BudgetFor the Month Ended March 31 |
|   Direct labor | $   |
|   Indirect labor |    |
|   Utilities |    |
|   Supplies |    |
|   Equipment depreciation |    |
|   Factory rent |    |
|   Property taxes |    |
|   Factory administration |    |
|   |  |
|   Total expense | $   |
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| **Requirement 2:** |
| The company actually worked 9,300 labor-hours in March. Prepare the Production Department's flexible budget for the month. **(Input all amounts as positive values. Omit the "$" sign in your response.)** |
| Packaging Solutions CorporationProduction Department Flexible BudgetFor the Month Ended March 31 |
|   Direct labor | $   |
|   Indirect labor |    |
|   Utilities |    |
|   Supplies |    |
|   Equipment depreciation |    |
|   Factory rent |    |
|   Property taxes |    |
|   Factory administration |    |
|   |  |
|   Total expense | $   |
|   |  |

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