|  |
| --- |
| **BE21-4** |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

Hannon Company expects to produce 1,200,000 units of Product XX in 2010. Monthly production is expected to range from 80,000 to 120,000 units. Budgeted variable manufacturing costs per unit are: direct materials $4, direct labor $6, and overhead $8. Budgeted fixed manufacturing costs per unit for depreciation are $2 and for supervision are $1. Complete the flexible manufacturing budget for the relevant range value using 20,000 unit increments.

|  |
| --- |
| **HANNON COMPANY** |
| **Monthly Flexible Manufacturing Budget** |
| **For the Year 2010** |
| Activity level |  |  |  |
|     Finished goods |   |   |   |
| Variable costs |   |   |   |
|     Direct materials | $ | $ | $ |
|     Direct labor |  |  |  |
|     Overhead |  |  |  |
|     Total variable costs | $ | $ | $ |
| Fixed costs |   |   |   |
|     Depreciation |  |  |  |
|     Supervision |  |  |  |
|     Total fixed costs |  |  |  |
| Total costs | $ | $ | $ |

**PLEASE SHOW ALL WORKING. THANK YOU**