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| **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.

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| **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**