

4. At what point during this year was the overhead rate computed? When was it applied? Finally, when was underapplied or overapplied overhead determined and the Cost of Goods Sold account adjusted to reflect actual costs?

LO5 Allocation of Overhead

P 8. Eraser Products, Inc., which produces copy machines for wholesale distributors in the Pacific Northwest, has just completed packaging an order from Kent Company for 150 Model 14 machines. Direct materials, purchased parts, and direct labor costs for the Kent order are as follows:

Cost of direct materials	\$17,450.00
Cost of purchased parts	\$14,800.00
Direct labor hours	140
Average direct labor pay rate	\$16.50

Overhead costs were applied at a single, plantwide overhead rate of 240 percent of direct labor dollars.

Required

Using the traditional costing approach, compute the total cost of the Kent order.