**15. In the past, Taylor Industries has used a fixed-time period inventory system that involved taking a complete inventory count of all items each month. However, increasing labor costs are forcing Taylor Industries to examine alternative ways to reduce the amount of labor involved in inventory stockrooms, yet without increasing other costs, such as shortage costs. Here is a random sample of 20 of Taylor’s items.**

**Item Annual Item Annual**

**Number Usage Number Usage**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**1 $1,500 11 $13,000**

**2 12,000 12 600**

**3 2,200 13 42,000**

**4 50,000 14 9,000**

**5 9,600 15 1,200**

**6 750 16 10,200**

**7 2,000 17 4,000**

**8 11,000 18 61,000**

**9 800 19 3,500**

**10 15,000 20 2,900**

**a. What would you recommend Taylor do to cut back its labor cost? (Illustrate using an ABC plan.)**