

Solutions for Chapter 13

13.1

See Table S13.1.

Table S13.1

Division	1	2	3	Total
Overheads	50%	30%	20%	
	250,000	150,000	100,000	500,000
Hours	<u>4,000</u>	<u>2,000</u>	<u>3,000</u>	<u>9,000</u>
Hourly rate	\$62.50	\$75	\$33.33	\$55.55

13.2

	Machining	Assembly	Finishing	Total
Overhead costs	€120,000	€80,000	€30,000	€230,000
Labour hours	20,000	10,000	10,000	40,000
Hourly rate	€6	€8	€3	€5.75
Costing:				
Material			€300	
Labour			€150	
Overhead	10 @ €6	60		
	7 @ €8	56		
	3 @ €3	9	<u>125</u>	
Total			€575	

13.3

	Dept A	Dept B	Dept C	Total
Overheads	£150,000	£200,000	£125,000	£475,000
Direct labour hours	5,000	10,000	5,000	20,000
Overhead per hour	£30	£20	£25	£23.75
Hours for GH1	10	12	5	27
Overhead per product	£300	£240	£125	£641.25

Using plant-wide rate:

Direct materials	£150
Direct labour	£75
Overhead	<u>£641</u>
Total	£866