

QUESTION

As manager of your company responsible for tracking all costs to work carried out, you have been asked to arrive at the cost of Production Order 340 for the manufacture of promotional umbrellas. The company uses a Job Order Costing system, and you are advised that overheads are assigned to production orders using a predetermined rate of 40% of direct labour costs.

Details of materials issued to Production Order 340 are:

Date	Requisition No.	Amount
7/Jan	17855	4,500
16/Jan	18402	780
24/Jan	19583	450

Wages are paid weekly. The following data were applicable to Production Order 340:

Week Ended	Time Sheet No.	Amount
9/Jan	94-01	6,180
16/Jan	94-02	200
23/Jan	94-03	2,150

The umbrellas were despatched to the customer on January 27th.

REQUIRED: Represent the above details in respect of Production Order 340 on a Job Cost Sheet for presentation to your next management meeting.

SOLUTION:

BROLLY PROMOTIONS LIMITED			
JOB NO..	340	Commenced:	02/01/2018
MATERIALS REQUISITIONED			
Date	Req'n No.	Amount	
07/01/2018	17855	4,500.00	
16/01/2018	18402	780.00	
24/01/2018	19583	450.00	5,730.00
DIRECT LABOUR			
Week end	Sheet Ref	Amount	
09/01/2018	94-01	6180	
16/01/2018	94-02	200	
23/01/2018	94-03	2150	8530
APPLIED OVERHEAD			
LABOUR COST			
8530	X 40% =		3412
TOTAL COST OF JOB			17,672.00
Completed 27/01/2018			
Authorised Joe Smith			

QUESTION 2.

The Agenda Garment Company uses a Job Cost System. An order for 200 women's knitted dresses was received from the Huntington Dept. Store on 8th April 2018. It was assigned Job No. 18-K-305. Requisitions for materials were as follows:

Date	Requisition No.	Amount
8/4	15765	€1,200
11/4	15783	200
15/4	15831	120

Wages are paid weekly. The following data were applicable to Job No. 91-K-305:

Week Ended	Time Sheet No.	Amount
9/4	18-14	€1,650
16/4	18-15	480

Overhead is to be assigned to production orders at the rate of 60% of direct labour cost.

The dresses were delivered April 16, 2018. The Job Cost Sheet was closed on April 30, 2018.

REQUIRED: Draw up a Job Cost Sheet for Job No 18-K-305.

AGENDA GARMENT COMPANY JOB COST SHEET				
JOB NO..		18-K-305		
Commenced:		08/04/2018		
MATERIALS REQUISITIONED				
Date	Req'n No.	Amount		
09/04/2018	15765	1,200.00		
11/04/2018	15783	200.00		
15/04/2018	19831	120.00		
				1,520.00
DIRECT LABOUR				
Week end	Sheet Ref	Amount		
09/04/2018	91-14	1,650.00		
16/01/2018	91-15	480.00		
		2,150.00		4,280.00
APPLIED OVERHEAD				
LABOUR COST				
	4280	X 60% =		2,568.00
TOTAL COST OF JOB				8,368.00
Completed 30/04/2018				
Authorised Mick Kelly				