

TB Problem Qu. 2-281 (Algo) Harnett Corporation has two manufacturing...

Harnett Corporation has two manufacturing departments--Molding and Assembly. The company used the following data at the beginning of the period to calculate predetermined overhead rates:

| | Molding | Assembly | Total |
|---|----------|----------|----------|
| Estimated total machine-hours (MHs) | 4,000 | 6,000 | 10,000 |
| Estimated total fixed manufacturing overhead cost | \$20,400 | \$37,800 | \$58,200 |
| Estimated variable manufacturing overhead cost per MH | \$ 3.00 | \$ 6.00 | |

During the period, the company started and completed two jobs--Job E and Job M. Data concerning those two jobs follow:

| | Job E | Job M |
|------------------------|-----------|----------|
| Direct materials | \$ 13,700 | \$ 8,000 |
| Direct labor cost | \$ 21,200 | \$ 8,100 |
| Molding machine-hours | 2,500 | 1,500 |
| Assembly machine-hours | 2,500 | 3,500 |

Required:

a. Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. Calculate that overhead rate. **(Round your answer to 2 decimal places.)**

b. Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. Calculate the amount of manufacturing overhead applied to Job E. **(Do not round intermediate calculations.)**

c. Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours. Calculate the total manufacturing cost assigned to Job E. **(Do not round intermediate calculations.)**

d. Assume that the company uses a plantwide predetermined manufacturing overhead rate based on machine-hours and uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job E. **(Do not round intermediate calculations.)**

e. Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both departments. What is the departmental predetermined overhead rate in the Molding department? **(Round your answer to 2 decimal places.)**

f. Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. What is the departmental predetermined overhead rate in the Assembly department? **(Round your answer to 2 decimal places.)**

g. Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. How much manufacturing overhead will be applied to Job E? **(Do not round intermediate calculations.)**

h. Assume that the company uses departmental predetermined overhead rates with machine-hours as the allocation base in both production departments. Further assume that the company uses a markup of 80% on manufacturing cost to establish selling prices. Calculate the selling price for Job E. **(Do not round intermediate calculations.)**