

Exercise 9-5 (15 minutes)

1.

Yuvwell Corporation
Manufacturing Overhead Budget

	<i>1st</i>	<i>2nd</i>	<i>3rd</i>	<i>4th</i>	
	<i>Quarter</i>	<i>Quarter</i>	<i>Quarter</i>	<i>Quarter</i>	<i>Year</i>
Budgeted direct labor-hours	8,000	8,200	8,500	7,800	32,500
Variable overhead rate	<u>× \$3.25</u>	<u>× \$3.25</u>	<u>× \$3.25</u>	<u>× \$3.25</u>	<u>× \$3.25</u>
Variable manufacturing overhead	\$26,000	\$26,650	\$27,625	\$25,350	\$105,625
Fixed manufacturing overhead	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>192,000</u>
Total manufacturing overhead	74,000	74,650	75,625	73,350	297,625
Less depreciation	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>64,000</u>
Cash disbursements for manufacturing overhead ...	<u>\$58,000</u>	<u>\$58,650</u>	<u>\$59,625</u>	<u>\$57,350</u>	<u>\$233,625</u>

2. Total budgeted manufacturing overhead for the year (a).... \$297,625
 Total budgeted direct labor-hours for the year (b) 32,500
 Manufacturing overhead rate for the year (a) ÷ (b) \$ 9.16