MicroDecor produces trendy microwave ovens. Each unit sells for $600. During 20X7, the company produced 22,000 units, and sold 20,000 units. Beginning inventory contained a total of 3,000 units. Production and SG&A costs have been stable for many years. Assume the per units costs in beginning and ending inventory are identical. Per unit cost information follows:

Direct materials cost	$150
Direct labor cost	100
Variable factory overhead	75
Variable SG&A	50

Annual fixed manufacturing overhead is $242,000. Annual fixed SG&A totals $1,450,000.

(a) Determine the number of units in ending inventory, and calculate the total carrying cost using both variable and absorption costing.

(b) Calculate 20X7 net income using variable costing.

(c) Calculate 20X7 net income using absorption costing.

(d) In practice, is it likely that per unit costs would be identical in beginning and ending inventory? Even if costs were stable, could the cost of beginning and ending inventory differ with absorption costing?