

B-17.07

Fairbain Corporation was newly formed early in 20X1. The following information relates to the full year:

Raw materials purchased (net)	\$ 3,000,000
Direct labor costs	2,000,000
Factory overhead	1,500,000
Selling, general & administrative	700,000

80% of the available raw material was transferred into production.

75% of the work in process was completed.

90% of the finished goods were sold.

10% of factory overhead related to depreciation.

20% of SG&A related to depreciation.

- How much is in ending inventory for (1) raw materials, (2) work in process, and (3) finished goods?
- How much is in (1) cost of goods sold and (2) SG&A expense for the period?
- How much of the total depreciation for the period is charged against income during the period?