

## B-19.07

Information for three different companies follows. Each company applies factory overhead at the rate of 40% of direct labor cost. In each scenario, the following entry was made to record the actual overhead costs:

Factory Overhead	85,000	
Salaries Payable		50,000
Utilities Payable		15,000
Supplies		4,000
Accumulated Depreciation		16,000

Prepare a compound journal entry for each company to transfer raw materials to production, record direct labor costs on each job, and apply overhead at the predetermined rate. If the scenario involves underapplied or overapplied overhead, prepare an additional journal entry to transfer the amount to Cost of Goods Sold.

Company A     Raw materials transferred to production totaled \$100,000, and direct labor cost was \$212,500.

Company B     Raw materials transferred to production totaled \$110,000, and direct labor cost was \$200,000.

Company C     Raw materials transferred to production totaled \$90,000, and direct labor cost was \$225,000.