

## B-21.06

Ikon Equipment produces exercise equipment. The following schedule reveals anticipated monthly production of bicycles for the first three months of the year:

January	11,000
February	14,000
March	12,500

Ikon budgets for three direct labor hours per bicycle, at an average cost of \$16.50 per hour. Variable factory overhead is applied at the rate of \$10.25 per direct labor hour. Fixed overhead is expected to run \$110,000 per month, which includes \$10,000 per month of noncash expenses related to depreciation.

Determine the total expected monthly cash outflow for labor and overhead.