Perfect Pad manufactures floor mats for trailers that are used to transport horses. The mats provide for a firm footing surface that quickly sheds water. Mats are made to customer specifications via orders submitted over an internet site. The mats are completed and shipped in about one day. As a result, Perfect Pad does not maintain any work in process or finished goods inventory.

The following costs were incurred in producing and selling mats during August:

- Synthetic rubber used in the mat $134,300
- Lubricant used in the molding machine 14,000
- Factory rent 9,600
- Electricity to run the molding machine 2,600
- Labor cost of machine operators 34,100
- Internet sales site 1,500
- Administrative salaries 12,500
- Depreciation of molding machine 7,400
- Salary of factory safety inspector 3,500
- Office rent 13,500

Evaluate these costs, and determine the amount of direct material, direct labor, factory overhead, and selling/general/administrative costs. Next, identify how much is considered to be a "prime cost" and how much is considered to be a "conversion cost."