

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.