

1.

Award: 10.00 points

Problems? [Adjust credit](#) for all students.**Exercise 24-2 Responsibility accounting report—costs**

Arctica manufactures snowmobiles and ATVs. These products are manufactured in the same factory. Each responsibility performance report only includes those costs that are directly traceable to the product: raw materials, supplies used, and equipment depreciation.

	Budget		Cost Center
	Snowmobile	ATV	
Raw materials	\$20,300	\$28,300	\$
Employee wages	11,200	21,300	
Dept. manager salary	5,100	6,000	
Supplies used	1,800	980	
Depreciation-Equip.	9,800	13,300	
Utilities	440	620	
Rent	3,500	7,100	
Totals	<u>\$54,520</u>	<u>\$77,600</u>	<u>\$</u>

Prepare a responsibility accounting report for the ATV department.

Responsibility Accounting Performance Report			
Dept. Manager, ATV Department			
	For the Year		
	Budgeted Amount	Actual Amount	Over (Under) Budget
Controllable Costs:			
Raw materials	\$ 28,300	\$ 29,700	\$ 1,400
Employee wages	21,300	22,120	820
Supplies used	980	1,020	40
Depreciation—Equipment	13,300	13,300	
Totals	<u>F \$ 63,880</u>	<u>F \$ 66,140</u>	<u>F \$ 2,260</u>