Job Order Costing Based on the Factory as a Whole
- Using Direct Cost of Labour -

$dmc_A := 30$

$dmc_B := 32$

$dlc_A := 10$

$dlc_B := 8$

$DMC := 191000$

$DLC := 53000$

$OH := 322885$

$\frac{OH}{DLC} = 6.09$

$oh_A := \frac{OH}{DLC} \cdot dlc_A$

$oh_B := \frac{OH}{DLC} \cdot dlc_B$

$oh_A = 60.92$

$oh_B = 48.74$

$tc_A := dmc_A + dlc_A + oh_A$

$tc_B := dmc_B + dlc_B + oh_B$

$tc_A = 100.92$

$tc_B = 88.74$

Legend

Subscripts A, B for products
dmc = Direct cost of materials per unit
dlc = Direct cost of labour per unit
DMC = Direct cost of materials
DLC = Direct cost of labour
OH = Total overhead
oh = Overhead per unit
tc = Total cost per unit