

6. Community Technical College desires to use **Activity Based Costing** to allocate its administrative costs and maintenance and utilities expenses to its four teaching departments.

Administrative costs for the college were \$250,000 (allocated based on number of students enrolled)
 Maintenance and utilities expenses were \$195,000 (allocated based on square feet of classrooms)

Based on the information below, what is the total amount of expenses allocated to each department (rounded to the nearest dollar) if using *Activity Based Costing*? (20 points)

Teaching <u>Department</u>	<u>Students</u>	Size of <u>Classroom</u>
Electronics	117	900 sq. ft.
Automotive	156	750 sq. ft.
Computers	429	1,200 sq. ft.
Plumbing	78	150 sq. ft.
Total	780	3000 sq. ft.

Hint: Allocate the two cost pools (administrative costs and maintenance/utilities expenses) to the four departments using the two cost drivers. You will need to calculate a predetermined overhead rate for each department.

Expenses allocated to Electronics

Administrative costs =

Maintenance and utilities costs =

Expenses allocated to Automotive

Administrative costs =

Maintenance and utilities costs =

Expenses allocated to Computers

Administrative costs =

Maintenance and utilities costs =

Expenses allocated to Plumbing

Administrative costs =

Maintenance and utilities costs =