

c. Desired inventories at March 31:

Direct materials:

Fabric	9,000 sq. yds.
Wood	20,000 lineal ft.
Filler	5,000 cu. ft.
Springs	7,500 units

Finished products:

William	2,000 units
Kate	900 units

d. Direct materials used in production:

In manufacture of William:

Fabric	4.0 sq. yds. per unit of product
Wood	16 lineal ft. per unit of product
Filler	3.8 cu. ft. per unit of product
Springs	14 units per unit of product

In manufacture of Kate:

Fabric	2.5 sq. yds. per unit of product
Wood	12 lineal ft. per unit of product
Filler	3.2 cu. ft. per unit of product
Springs	10 units per unit of product

e. Anticipated purchase price for direct materials:

Fabric	\$9.00 per sq. yd.	Filler	\$1.50 per cu. ft.
Wood	5.00 per lineal ft.	Springs	2.00 per unit

f. Direct labor requirements:

William:

Framing Department	2.5 hrs. at \$15 per hr.
Cutting Department	1.0 hr. at \$12 per hr.
Upholstery Department	3.0 hrs. at \$16 per hr.

Kate:

Framing Department	1.5 hrs. at \$15 per hr.
Cutting Department	0.5 hr. at \$12 per hr.
Upholstery Department	2.0 hrs. at \$16 per hr.

Instructions

1. Prepare a sales budget for March.
2. Prepare a production budget for March.
3. Prepare a direct materials purchases budget for March.
4. Prepare a direct labor cost budget for March.