cost of goods sold before any adjustment for underapplied ...

PROBLEM 4–18 Applying Overhead in a Service Company [LO 4–2, LO 4–4, LO 4–5]
Heritage Gardens provides complete garden design and landscaping services. The company uses a job-order costing system to track the costs of its landscaping projects. The table below provides data concerning the three landscaping projects that were in progress during May. There was no work in process at the beginning of May.

	Project		
	Williams	Chandler	Nguyen
Designer-hours	200	80	120
Direct materials	$4,800	$1,800	$3,600
Direct labor	$2,400	$1,000	$1,500

Actual overhead costs were $16,000 for May. Overhead costs are applied to projects on the basis of designer-hours because most of the overhead is related to the costs of the garden design studio. The predetermined overhead rate is $45 per designer-hour. The Williams and Chandler projects were completed in May; the Nguyen project was not completed by the end of the month. No other jobs were in process during May.

Required:

1. Compute the amount of overhead cost that would have been applied to each project during May.
2. Determine the cost of goods manufactured for May.
3. What is the accumulated cost of the work in process at the end of the month?
4. Determine the underapplied or overapplied overhead for May.