The factory overhead control account was debited during the month for actual factory overhead expenses of $27,000. On June 11, Job 2526 was completed and delivered to the customer at a markup of 50% on manufacturing cost. On June 24, Job 2527 was completed and transferred to Finished Goods. On June 30, Job 2528 was still in process.

Required:

1. Prepare job cost sheets for Jobs 2526, 2527, and 2528, including factory overhead applied when the job was completed or at the end of the month for partially completed jobs.
2. Prepare journal entries as of June 30 for the following:
   a. Applying factory overhead to production.
   b. Closing the applied factory overhead account.
   c. Closing the factory overhead account.
   d. Transferring the cost of the completed jobs to finished goods.
   e. Recording the cost of the sale and the sale of Job 2526.

P4-18 Closing under- and overapplied overhead at year-end LO7

Amarillo Products, Inc., had a remaining credit balance of $10,000 in its under- and overapplied factory overhead account at year-end. It also had year-end balances in the following accounts:

Work in Process	$ 25,000
Finished Goods	15,000
Cost of Goods Sold	85,000
Total	$125,000

Required:

1. Prepare the closing entry for the $10,000 of overapplied overhead, assuming that the balance is not considered to be material.
2. Prepare the closing entry for the $10,000 of overapplied overhead, assuming that the balance is considered to be material.

P4-19 Closing under- and overapplied overhead at year-end LO7

Waco Products Inc. had a remaining debit balance of $20,000 in its under- and overapplied factory overhead account at year-end. It also had year-end balances in the following accounts:

Work in Process	$ 20,000
Finished Goods	30,000
Cost of Goods Sold	50,000
Total	$100,000

Required:

1. Prepare the closing entry for the $20,000 of underapplied overhead, assuming that the balance is not considered to be material.