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Costs per dozen	
Blueberry	Cinnamon
\$ 3.20	\$ 2.30
\$ 0.30	\$ 0.25
\$ 3.50	\$ 2.55

DM

DL

Total direct

Budgeted direct labor cost

\$ 600,000	Predetermined overhead rate	1.53233333
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Activity	Cost Driver	Budgeted Activity	Budgeted Cost	Activity Rate	
Baking	Baking hours	\$96,000	\$384,000	4.000	per baking hour
Frosting	Frosting hours	\$33,630	\$326,000	9.694	per frosting hour
Packaging	Packaging hours	\$26,000	\$209,400	8.054	per packaging hour
Total factory overhead cost			\$919,400		

			Cost per 100 dozen		Cost per dozen	
	Blueberry	Cinnamon	Blueberry	Cinnamon	Blueberry	Cinnamon
Budgeted sales (dozens)	100,000	80,000				
Baking time (hrs per hundred dozen)	1	1	4.000	4.000	0.04	0.04
Frosting time (hrs per hundred dozen)	0.20	0.20	1.939	1.939	0.0194	0.0194
Packaging time (hrs per hundred dozen)	0.75	0.75	6.040	6.040	0.0604	0.0604
					0.1198	0.1198

Full product cost

	Blueberry	Cinnamon
DM	\$ 3.20	\$ 2.30
DL	\$ 0.30	\$ 0.25
Total direct	\$ 3.50	\$ 2.55
Indirect unit costs		
Baking	\$ 0.04	\$ 0.04
Frosting	\$ 0.02	\$ 0.02
Packaging	\$ 0.06	\$ 0.06
Total indirect costs	\$ 0.1198	\$ 0.1198
Total unit cost	\$ 3.62	\$ 2.67