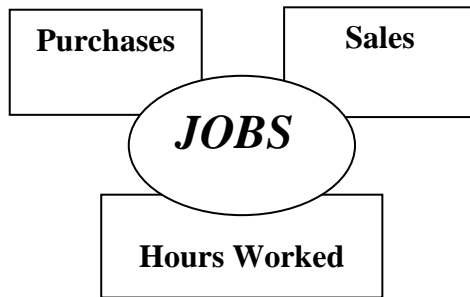


CHAPTER 6 JOB COST

In Chapter 6, PCA's Job Cost system is taught. PCA lets your students assign Job ID codes to purchases, sales, and employee hours. Your students will understand how each of these factors--purchases, sales, and employee hours--impact costs for a specific job.

The flowchart that follows illustrates how this works:



SOFTWARE OBJECTIVES: In Chapter 6, your students will use the software to:

1. Restore data from Exercise 5-2.
2. Learn about PCA's Job Cost system.
3. Set up a job.
4. Coordinate job costs with purchases, sales, and payroll.
5. Display a Job Profitability Report.
6. Make two backups: Backup Chapter 6 data; and backup Exercise 6-2.

WEB OBJECTIVES: In Chapter 6, your students will do these Internet activities:

1. Use their Internet browser to go to the book's website.
2. Complete the Internet activity for Business Encyclopedia.
3. Complete the steps shown for this activity.

PCA TIPS, CHAPTER 6:

- Jobs can be assigned to purchases of inventory, sales to customers, and payroll.

LECTURE OUTLINE FOR CHAPTER 6

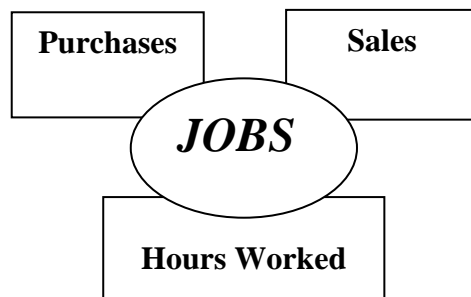
- A. Software Objectives, page 181
- B. Web Objectives, page 181
- C. Getting Started, pages 182-183
- D. Job Costing and Purchasing: Purchasing Inventory Items for Jobs, pages 184-186
- E. Job Costing and Sales, pages 186-187
- F. Job Cost and Payroll, pages 188-189
- G. Job Cost Reports, pages 189-190
- H. Backing Up Chapter 6 Data, page 191
- I. Internet Activity, page 191
- J. Summary and Review, page 192
 1. Going to the Net, page 192
 2. Short-Answer Questions, pages 193-194
 3. Exercise 6-1, page 195
 4. Exercise 6-2, page 195
 5. Chapter 6 Index, page 196

ANSWERS TO GOING TO THE NET

1. Yes, The Sage Group plc is the leading supplier of accounting software around the world.
2. The Sage Group has 3.6 million customers worldwide.
3. Yes, from www.sage.com in the Go Local area, select United States; click Go. In the US Operations list, link to Peachtree. This takes you to Peachtree's website at www.peachtree.com. From there you can link to more information about Peachtree.

ANSWERS TO SHORT-ANSWER QUESTIONS, Chapter 6

1. The diagram that follows illustrates how job costing works:



2. The Everly Property Management customer ID is EVERLY.
3. The description of the Everly Property Management job is Everly Property Mgmt-Bldg A.
4. Everly Property Management owes Bellwether Garden Supply \$137.79 for one Bel-Gro Home Irrigation System.
5. The GL default account is Account No. 57200, Materials Cost.
6. The report is called the Job Profitability Report.
7. Brandon A. Hugley worked 1 hour on Everly Property Mgmt-Bldg A.
8. The website address for the business encyclopedia is <http://www.solutionmatrix.com/encyclopedia.html>.

SOLUTION TO EXERCISE 6-2 (1)

Bellwether Garden Supply Job Profitability Report For the Period From Mar 1, 2007 to Mar 31, 2007									
Filter Criteria includes: Report order is by ID. Report is printed including Balance Forward.									
Job ID	Phase ID	Cost Code ID	GL Acct ID	Actual Exp.	Exp. Totals	Rev. Totals	Profit \$	Profit %	
BEATTY				75.00					
					<u>75.00</u>				
BEATTY	Total				<u>75.00</u>		<u>-75.00</u>		
CHAPPLE				670.50					
					<u>670.50</u>				
	02-Permits		69000	75.00					
					<u>75.00</u>				
	04-Ground Pr	010-Labor	57300-LS	215.70					
					<u>215.70</u>				
	08-Accessori	020-Material	12000 57200	95.70 159.95					
					<u>255.65</u>				
CHAPPLE	Total				<u>1,216.85</u>		<u>-1,216.85</u>		
EVERLY			50000-EQ	59.95					
				23.90					
			57200	85.00					
				85.00					
			77500	12.50					
				9.00					
					<u>275.35</u>	<u>189.97</u>			
EVERLY	Total				<u>275.35</u>	<u>189.97</u>	<u>-85.38</u>	<u>-44.94</u>	
HENTON	02-Permits		69000	75.00					
					<u>75.00</u>				
	04-Ground Pr	010-Labor	57300-LS	119.80					
					<u>119.80</u>				
HENTON	Total				<u>194.80</u>		<u>-194.80</u>		
Report	Total				<u>1,762.00</u>	<u>189.97</u>	<u>-1,572.03</u>	<u>-827.51</u>	