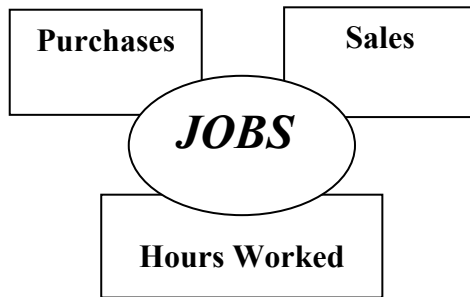


CHAPTER 6 JOB COST

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: one blank, formatted disk for the Chapter 6 backup; one blank, formatted disk for 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

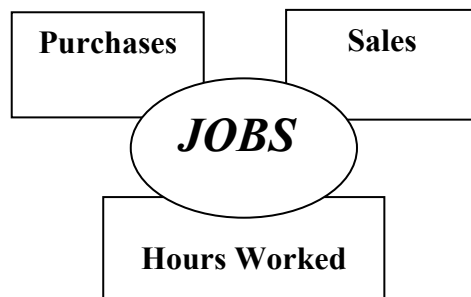
- A. Software Objectives, page 189
- B. Web Objectives, page 189
- C. Getting Started, pages 190-192
- D. Job Costing and Purchasing: Purchasing Inventory Items for Jobs, pages 192-194
- E. Job Costing and Sales, pages 194-195
- F. Job Cost and Payroll, pages 195-197
- G. Job Cost Reports, pages 197-198
- H. Backing Up Chapter 6 Data, page 199
- I. Internet Activity, page 199
- J. Summary and Review, page 200
 1. Going to the Net, page 200
 2. Short-Answer Questions, pages 201-202
 3. Exercise 6-1, page 203
 4. Exercise 6-2, page 203
 5. Chapter 6 Index, page 204

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 million customers worldwide.
3. Yes, from www.sage.com link to US Small Business, then from the drop-down list select 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 Cunningham Construction customer number is CUNNINGHAM-01.
3. The Job ID for Cunningham Construction-Bldg C is CUNNINGHAM-01.
4. Cunningham owes \$275.58 for two drip irrigation systems
5. The GL default account is Account No. 57200, Materials Cost.
6. The report is called the Job Profitability Report.
7. Brandon A. Hughes worked 1 hour on Cunningham Construction-Bldg C.
8. The website address for the business encyclopedia is <http://www.solutionmatrix.com/encyclopedia.html>.

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.

Job ID	Phase ID	Cost Code ID	GL Acct ID	Actual Exp.	Exp. Totals	Rev. Totals	Profit \$	Profit %
BEAUMONT				75.00				
					75.00			
BEAUMONT	Total				75.00		-75.00	
CHAPMAN-	01-Design			175.50				
					175.50			
	02-Permits		69000	75.00				
					75.00			
	04-Ground Pr	010-Labor		150.00				
				215.70				
		020-Material		345.00				
					710.70			
	08-Accessori	020-Material	12000	95.70				
			57200	159.95				
					255.65			
CHAPMAN-	Total				1,216.85		-1,216.85	
CUNNINGH			50000-EQ	119.90				
				35.85				
			57200	75.00				
				75.00				
			77500	9.00				
				12.50				
					327.25	349.95		
CUNNINGH	Total				327.25	349.95	22.70	6.49
HENSLEY-0	02-Permits		69000	75.00				
					75.00			

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.

Job ID	Phase ID	Cost Code ID	GL Acct ID	Actual Exp.	Exp. Totals	Rev. Totals	Profit \$	Profit %
	04-Ground Pr	010-Labor	57300-LS	119.80				
					<u>119.80</u>			
HENSLEY-0	Total				<u>194.80</u>		<u>-194.80</u>	
Report	Total				<u>1,813.90</u>	<u>349.95</u>	<u>-1,463.95</u>	<u>-418.33</u>