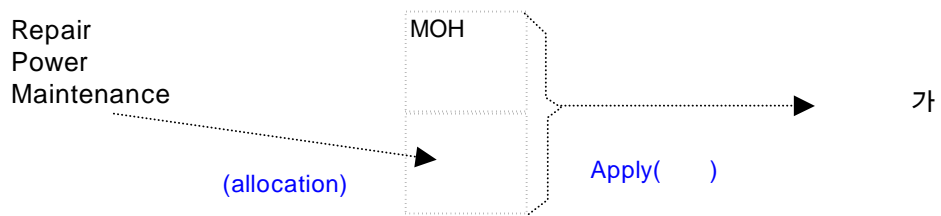


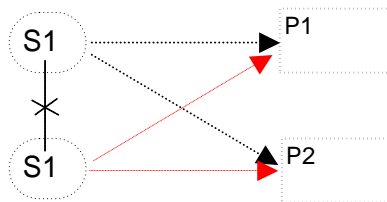
## Service Cost Allocation



### Allocation 3가

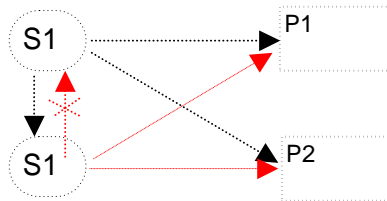
#### 1 Direct Method:

- (1) Service cost production department
- (2) Service Dept

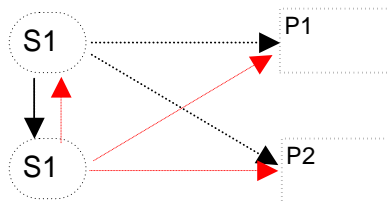


#### 2 Step Method:

- (1) Service cost production department
- (2) Service ( )



#### 3 Reciprocal:



)

	S1	S2	P1	P2	total
	4,000	6,000	38,000	42,000	
S1		10%	40%	50%	100%
S2	30%		40%	30%	100%

1) Direct method

	S1	S2	P1	P2	total
	4,000	6,000	38,000	42,000	90,000
S1	(4,000)	$4,000 * 10\%$ =400	$4,000 * 40\%$ =1,600	$4,000 * 50\%$ =2,000	100% 4,000
S2	$6,000 * 30\%$ =1,800	(6,000)	$6,000 * 40\%$ =2,400	$6,000 * 30\%$ =1,800	100% 6,000
	1,800	400	42,000	45,800	90,000

2) Step Method

	S1	S2	P1	P2	total
	4,000	6,000	38,000	42,000	90,000
S2	$6,000 * 30\%$ =1,800	(6,000)	$6,000 * 40\%$ =2,400	$6,000 * 30\%$ =1,800	100% 6,000
	5,800	0	40,400	43,800	90,000
S1	(5,800)		$5,800 * (40/90)$ =2,580	$5,800 * (50/90)$ =3,220	
	0	0	42,980	47,020	90,000

3) Reciprocal :

$$A = 4,000 + 0.3B \quad 4,000 + 0.3(6,000 + 0.1A) \quad A = 5,800 + 0.1A \quad A = -241$$

$$B = 6,000 + 0.1A \quad B = 6,000 + 24 = 6,024$$

)

Parat College allocates support department costs to its individual schools using the step methods. Information for May 1999 is as follows:

Support departments		
	Maintenance	power
costs incurred	99,000	54,000
Service Percentage		
Provided to:		
Maintenance	--	10%
Power	20%	--
School of Edu.	30%	20%
School of Tech.	50%	70%

Question: What is the amount of May 1999 support department costs allocated to the school of Education?

step method

	Man	Pwr	Edu	Tec	total
	99,000	54,000			153,000
M		20%	30%	50%	
Pwr	10%		20%	70%	
M	(99,000)	99,000 * 20% =19,800	99,000 * 30% =29,700	99,000 * 50% =49,500	100% 99,000
	0	=73,800	=29,700	=49,500	153,000
Pwr	0	(73,800)	73,800 * (2/9) =16,400	73,800 * (7/9) =57,400	=73,800
	0	0	=46,100	=106,900	153,000

Direct method

	Man	Pwr	Edu	Tec	total
	99,000	54,000			153,000
M		20%	30%	50%	
Pwr	10%		20%	70%	
M	(99,000)	99,000 * 20% =19,800	99,000 * 30% =29,700	99,000 * 50% =49,500	100% 99,000
	0	=19,800	=29,700	=49,500	99,000
Pwr	54,000 * 10% =5,400	(54,000) =0	54,000 * 20% =10,800	54,000 * 70% =37,800	=54,000
	5,400	19,800	40,500	87,300	153,000