Partners' hours	850 x $70	59,500	①
Associate lawyer hours	1350 x $40	54,000	
		$113,500	

Legal Eagles General Journal			
Date		Debit	Credit
xxx	Work in Progress – copyright case	59,500	
	Labour		59,500
	(to record partners' hours)		
	Work in Progress – copyright case	54,000	
	Labour		54,000
	(to record associate lawyer hours)		

②

A job cost subsystem involves recording hours on time sheets, materials on materials requisition forms and transferring this information to job cost cards. Then a price is calculated that is charged to the customers.

Legal Eagles records all of the costs of their jobs on job cost cards.

The job cost system is used when products are made based on specific customer orders. Each product produced for a customer is considered a single job. Costs are then tracked by job, specific job number or job name. This is very helpful for mechanics so they can make sure the customer is charged the correct amount for parts used in the workshop.

③

The job order cost system must capture and track the costs of producing each job, which should include materials, labour and overhead. To track data, the job cost sheet is used. The job cost sheet tracks the job number, customer information, job information (date started, completed and shipped), individual cost information for materials used, labour and overhead, and a total job cost summary.

③

Overhead is charged to the job using an overhead rate, often based on labour hours. Legal Eagles uses partner hours, so does Levin Law.

The total cost of the job is $113,500. That was calculated by using both partners' hours and associate lawyer hours.

Some sections of the student's narrative response have been omitted from this exemplar.