

ABC Furniture Company is a manufacturing company specializing in the production of high-quality furniture.

The company utilizes skilled employees and wood as primary resources to manufacture three main types of products: tables, chairs, and beds.

Production Process: ABC Company employs skilled craftsmen who utilize wood, glue and nails to manufacture furniture products. The production process involves cutting, shaping, assembling, and finishing the furniture items.

Equipment and Supervision: To enhance efficiency in production, ABC Company has invested in a special electrically-powered machine designed for woodworking tasks. Additionally, the company has employed a supervisor to oversee the production line, ensuring quality control and timely completion of orders.

Storage and Distribution: Once the furniture items are completed, ABC Company transfers them to a leased warehouse for storage. This ensures adequate space for inventory management and facilitates efficient distribution of products to customers.

Sales and Marketing: ABC Company sells its furniture products through its dedicated sales team. The sales team includes salespersons who are paid a monthly salary and receive a commission of 5% on total sales. Their role involves promoting the company's products, negotiating with customers, and facilitating the sales process.

Required:

According your study of cost concepts determine the following types of costs:

Direct, indirect, fixed, variable, direct and fixed, indirect and fixed, direct and variable, indirect and variable, prime cost, conversion cost, inventoriable cost and period cost