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Casket Manufacturers Association of America. Committee on Management and Cost developments

L. S. Ashley

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MANAGEMENT AND COM- MODITY PROFIT AND LOSS FIGURES

Being the third of a series of articles issued by the Committee on Management and Cost Developments of The Casket Manufacturers' Association of America.

While the country was going through its early stages, rule of thumb methods were sufficient to enable most energetic business men to succeed. The present problems of business are so complex that greater refinements of method and knowledge are necessary. One of the most important refinements is knowledge of where profits are made or lost. It is the aim of this booklet to help managers find profits and losses by commodities.

CINCINNATI, OHIO

1922

FOREWORD

This article is the third of a series of five resulting from the work of the Committee on Management and Cost Developments of The Casket Manufacturers' Association of America. The titles of the five are:

What Makes Good Management?
Management and Budgeting.
Management and Commodity Profit and Loss
Figures.
Management and Opportunity.
Management and Wastes.

The Committee has been exploring some of the little-traveled sections of the field of business because they have assumed new importance in the present period of close competition. The manager who avails himself of the knowledge acquired by the exploration will be better informed—and, to that extent, better equipped—for the successful operation of his business.

Respectfully submitted,

L. S. Ashley, Chairman;
D. M. Andrews,
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Wm. Mauthe,
C. R. Murphy,
J. H. Staley,
Committee.

Management and Commodity Profit and Loss Figures

The manager is responsible for the success or failure of his business. It is to him that the stockholders look for dividends and it is he whom the public praises or blames as the business makes good or goes on the rocks.

His responsibility being what it is, the manager must keep his eye on the rabbit he is trying to shoot, namely, profit. If he loses sight of the quarry, his shooting is likely to result in nothing but misses. Sometimes the rabbit is highly elusive. Then the manager has a hard time keeping his eye on it. The manager therefore needs help of the 1922 model to enable him to see the rabbit and, in case he misses his shot, to determine the reason so that he will not miss again. The 1922 model of help should tell him where he has gone wrong, whether his gun was choked up, his sights out of line, his ammunition spoiled, or his aim just poor.

In another place in these articles, it has been said that the manager must know more about the whole business than anyone else, if he is to achieve a profit. To enable him to know more than anyone else about the business he must usually have adequate financial accounting, accurate cost accounting and some definite plan of budgeting. But he needs even more.

A middle western concern running a sawmill and manufacturing interior trim and sash and door work lost \$8,571.63 in 1921. If this loss had happened in the old days when the firm's financial accounting was of the

jackpot kind—that is, the kind in which the figures for all departments and commodities are thrown into a single lot without distribution or discrimination—the manager would have been able to make only general estimates of the losses by commodities. In fact, he might not have been able to tell which commodity departments were profitable and which were losers. Having modern financial accounting and cost accounting, however, he saw in his statement that his sawmill had lost \$27,513.98 and his sash and door work \$20,992.70, a total loss of \$48,506.68. His interior trim business made \$39,935.05. With these figures before him at the beginning of 1922, he was able to eliminate waste, overcome inefficiencies and cut down costs so that he started the new year with every prospect of reasonable prosperity.

A somewhat more complex case was that of a firm which in 1920 made \$144,727.90 on sales of \$2,026,315.55. Business slumped practically one-third in 1921, the sales for that year amounting to \$1,410,932.24. Because, however, the manager knew his profits and losses by commodities in 1920, his firm was one of the few in its line able to avoid a serious loss in 1921. The following table shows the firm's profits and losses in both years by the respective commodities it produced:

COMMODITY PROFIT AND LOSS STATEMENT, 1920-1921

SALES			OPERATING PROFITS			
	1920	1921	1920	Per Cent of Total	1921	Per Cent of Total
TOTAL	\$2,026,315 55	\$1,410,932 24	\$144,727 90	100.0	\$40,018 95	100.0
COMMODITY SALES			COMMODITY PROFITS AND LOSSES			
Office Tables						
Grade A	\$226,000 55	\$143,612 39	*-\$625 39	*-.43	*-\$1,780 45	*-\$4.44
Grade B	115,835 70	96,324 19	19,284 29	13.32	19,410 85	48.51
Grade C	21,443 60	24,128 14	7,563 98	5.22	*-\$9,241 06	*-\$23.09
Office Desks						
Grade A	\$387,340 67	\$216,625 30	*-\$30,087 30	*-\$20.8	\$7,472 01	18.67
Grade B	168,328 54	163,152 47	11,037 24	7.62	18,886 55	47.19
Grade C	46,417 74	17,561 64	9,046 68	6.27	*-\$6,789 12	*-\$16.96
Filing Cases	749,429 63	432,635 13	60,891 10	42.8	*-\$5,385 51	*-\$13.46
Office Chairs	24,748 63	29,022 35	1,069 64	.74	*-\$55.14	*-\$1.14
Card Cabinets	26,427 81	47,661 43	4,199 89	2.9	4,827 66	12.06
Desk Trays	12,621 50	9,023 00	3,166 97	2.19	1,577 95	3.94
Typewriter Furniture	237,114 33	206,508 43	54,635 86	37.75	12,047 12	30.10
Railings and Miscellaneous	10,617 58	21,677 72	4,544 91	3.14	*-\$951 95	*-\$2.38

*Loss.

In both the cases that have been cited, the jackpot results characteristic of old accounting would have hidden losses or made them hard to see and would thus have rendered preventive or remedial measures almost impossible. When a manager gets his yearly or monthly figures distributed into proper groups, he knows where his faults and losses have occurred. As a result of knowing that, he knows where special effort must be exerted in the immediate future.

A study of the foregoing table shows that the big loss in 1920, amounting to \$30,087.30 on Grade A Office Desks, was turned into a profit of \$7,472.01 the following year in spite of a drop of 40% in the sales. The change was made by economies in operation and by the avoidance of inventory losses. Without commodity profit and loss figures, the manager would doubtless have been satisfied with the fair total profit made in 1920. He would not have seen clearly the need of reorganizing the Grade A Desk Department. In that case, he might have repeated his 1920 loss of \$30,000.00 in 1921; perhaps he would even have sustained a greater loss. In that one department the difference in results in the two years was \$37,500.00. If the results had remained the same in 1921 as in 1920, the total net operating profit of 1921 would have been only \$2,500.00 instead of \$40,000.00.

The 1921 figures show six losing commodity departments. The profitable departments had to make, roughly, \$65,000.00 in order to overcome the losses of the losing departments and show a net profit to the firm of \$40,000.00. As it happened, losses were inevitable in 1921, this firm being a rare exception in its industry by showing a small net profit. This showing was due to the control over the business given to the manager by his commodity profit and loss figures. Furthermore, with the commodity profit and loss figures for 1921 in front of him the manager was able to plan his drive for 1922 so as to make every commodity profitable.

It is hard to see how a business can be run intelligently without commodity profit and loss figures, for without them it is almost impossible to detect the leaks that are constantly occurring in a large and varied line. If a manufacturer makes only a single product, his balance sheet at the end of the year will tell him whether he made or lost money on his commodity. In these complex days, however, comparatively few manufacturers make only a single line. Many of them make highly diverse lines involving numerous commodity departments. That is true of the casket business. Within the departments, cost accounting figures tell whether styles and varieties are profitable or unprofitable, but cost accounting figures do not tell the story for the entire department unless every sale is costed and account is kept of the profit or loss by sales. With commodity department profit and loss figures, the manager can easily give direction to his sales policy, put drive where it is needed and lay down the buying policy with accuracy.

In a casket business commodity profit and loss figures will show profits or losses netted by varnished caskets, cloth-covered caskets, metal caskets, rough boxes, varnished boxes, drygoods, robes and linings, vaults, hardware, fluids, and sundries, or by any other commodity departmental division that the manager may desire. With such figures and the apportionment of investment by commodity departments, the manager will have two important pieces of knowledge, namely:

His earnings according to investment by commodity departments.

The rate of turnover by commodity departments.

After all, the directors and stockholders judge results by the percentage of earnings to investment. The intelligent manager himself does not think so much about the margin of profit on each sale as he does about the earnings shown on the investment at the end of the

year. Therefore, since he is judged by the standard of earning on investment, he is able to lay out and follow a profitable course more easily if he has figures which show the earnings according to commodity department investment.

As for turnover, any student of business knows that it is the most important thing in selling today. Turnover must not be confused with volume, though increased volume frequently results in increased turnover. Many manufacturers suffer from the craze for volume. Going after volume unintelligently, they either just swap dollars or actually score a loss. What they should try for is increased turnover with a profit on each turn. Such a result means a minimum of investment with maximum returns.

Perhaps this point needs a little more amplification. A country store in its very nature has to carry a limited stock. If it carried a stock as big as Marshall Field's or Altman's, it would doubtless do a greater volume. But its turnover would decrease and its profits would turn into a loss. So it is with casket factories. Every casket factory can, at least temporarily, somewhat increase its volume by an increase in stock, an expansion of the number of styles and varieties of the line, and many of the so-called "service" inducements. If, however, its efforts result in a loss instead of a profit, the consequence is waste and not gain. As soon as a manager understands the value of turnover thoroughly, he begins to see to it that his business is put on a sounder basis. Commodity profit and loss figures are the best means of enabling him to understand turnover and to put him in the way of increasing the number of turns with a profit on each turn.

Like budgeting, commodity profit and loss figures can be obtained without cost accounting. They can be the product of intelligent bookkeeping almost exclusively. However, the accuracy of commodity profit and loss

statements cannot be guaranteed without systematic cost accounting because labor costs and factory overhead cannot be distributed intelligently without it. An arbitrary distribution can be made, but under such a distribution the possibilities of error multiply. Every concern needs bookkeeping just as it needs intelligent and systematic cost accounting. There is an unfortunate disposition on the part of a good many manufacturers to think of bookkeeping as a necessary evil rather than as a means to the end of profit. It can be a means to the end of profit if it is used to develop the right kind of information. If it is used only to keep the collections in order and get the payroll statement out, it is achieving only a fraction of its possibilities. A good bookkeeper will pay for himself over and over again.

When the bookkeeper has become closely enough acquainted with the business, assuming of course that he is intelligent, he can distribute expenditures by commodity departments. He can charge outgo for labor, materials and expense up to the respective commodities in about the right proportion and he can apportion inter-departmental exchanges. Of course such a distribution has an arbitrary basis, but a start must be made somewhere. If the manager will indicate to the bookkeeper the arbitrary starting points, such as, for instance, the basis for the apportionment of rent, interest, light, heat, depreciation and so on, the biggest problem in the way of commodity profit and loss figures is overcome.

An analysis by manager or a good bookkeeper will soon show that each commodity varies in its cost of handling from each other commodity. The range of variation is often surprising.

When our Association cost accountants began their work, one of the early questions to be settled concerned the basis of the application of factory overhead. It had been the practice of many manufacturers to add a

percentage to labor and materials to cover the factory overhead. The accountants pointed out that a mahogany board was run through a planer, for instance, with practically as little labor and as little power and other indirect expense as a pine board, and yet the value of the mahogany board was several times that of the pine board. Where the factory overhead was applied as a percentage of labor and material, it tended therefore to show a high cost for the mahogany article and low cost for the pine article. This inaccuracy was circumvented by the decision to apply factory overhead as a percentage of productive labor.

The same sort of variation occurs in the cost of handling different commodities. Freight, interest, warehouse charges and sales expense are often different in different commodities of the same sales value. For instance, a woman's dress may involve a high cost for material, but practically nothing for freight and very little for warehousing, haulage, and other charges. A true view of commodity profits and losses cannot be obtained except by taking these variations into account. When they are taken into account, a change is often made in selling plans.

Commodity profit and loss figures enable the manager to secure with comparative ease another highly important line of information, namely, profits and losses by salesmen. The value of such information is self-evident. For lack of it many business men have been investing their time, money and energy for slender returns.

The firm whose commodity profit and loss figures have already been set out in detail carries its analysis into profits and losses by salesmen. Its figures, which for 1920 and 1921 were as follows, will reward study:

PROFITS AND LOSSES BY SALESMEN IN 1920

	SALES	PROFIT
House (All sales not booked directly by salesmen).....	\$1,017,534 35	\$84,006 76
Salesmen:		
1.....	325,383 88	25,055 85
2.....	28,652 55	671 68
3.....	56,544 79	*—1,032 01
4.....	372,106 80	30,072 14
5.....	85,633 08	2,120 08
6.....	55,713 76	*—1,403 48
7.....	61,221 82	*—1,815 28
8.....	4,836 69	213 03
9.....	18,011 70	*—2,465 20
10.....	434 28	19 11
11.....	241 85	10 64
Total.....	\$2,026,315 55	\$136,453 93
*Loss.		

PROFITS AND LOSSES BY SALESMEN IN 1921

	SALES	PROFIT
House (All sales not booked directly by salesmen).....	\$523,430 50	\$40,353 44
Salesmen:		
1.....	39,952 91	*—2,387 71
2.....	125,631 90	5,583 62
3.....	43,562 11	*—2,046 04
4.....	81,849 22	223 02
5.....	96,221 15	2,796 84
6.....	79,871 38	1,505 38
7.....	54,599 26	660 69
8.....	103,946 74	2,573 23
9.....	99,935 92	2,326 06
10.....	115,133 39	1,792 12
11.....	6,727 63	*—4,425 67
12.....	10,124 17	*—1,960 99
13.....	1,911 43	116 17
14.....	28,035 31	*—6,474 98
Total.....	\$1,410,932 24	\$40,018 95
*Loss.		

In the work of determining Net Profits or Losses by groups of commodities there are no fewer than three distinct stages of progress leading up to an accurate and reliable result. The three stages may be described briefly as follows:

1. The first, or elementary, stage of progress in this work is designed for manufacturers who have no plan of cost accounting records in operation and are therefore

limited to methods of distribution as used by the larger retail Department Stores. This plan requires direct charges to Commodity Group Accounts for Jobbed Goods, Materials and Productive Labor. The expense incident to Manufacturing and the second group of expense relating to Selling and Management are apportioned to each Commodity Group on a more or less arbitrary basis as explained in greater detail hereafter.

2. The second stage of progress is illustrated by those manufacturers who, having a continuous factory cost system in operation, consequently know the *production* cost of each article they manufacture. By pricing all sales at cost they simplify the financial accounting work by avoiding the necessity of distributing to Commodity Accounts all disbursements for Material, Labor and Factory Expense. In this second stage, however, the expense of Selling and Management is still spread over Commodity Groups upon an arbitrary basis.

3. The third and final stage of progress includes manufacturers who operate a cost system and thereby are enabled to price sales at production cost and in consequence see true *gross* profits in each Commodity Group. In addition, certain necessary statistics are tabulated that enable them to apportion with accuracy the expense of Selling and Management to each Commodity Group, and each item within the group if desired, and to see revealed the true *Net* Profits or Losses in each Commodity Group or item sold, if they wish. One corporation in the Casket Industry with information on this basis was enabled to secure a refund of federal taxes paid when comparison was made with corporations operating their business without such information. This refund fully covered the expense of carrying on the accounting records which had helped the management to make the business more profitable.

To secure Commodity Profit and Loss figures, the following statements must be prepared:

1. By Manufacturers in the first stage, from their financial accounting records:

Net Sales—By Commodity Groups.

Cost of Sales:

Cost of Jobbed Goods Sold—By Commodity Groups

Cost of Material Sold—By Commodity Groups

Cost Productive Labor Sold } By Factory Depart-
Cost of Non-Productive } ments and Com-
Labor Sold } modity Groups

Cost of Factory Expense Sold—By Factory Departments and Commodity Groups

Selling and Administrative Expense—By Commodity Groups after apportionment has been made on the basis of ratio of total expense to total cost of goods sold.

2. By Manufacturers in the second stage, from their Cost Department records and financial accounting records:

Net Sales—By Commodity Groups

Cost of Sales—By Commodity Groups, as determined on the basis of article costs prepared by Cost Department.

Selling and Administrative Expense—By Commodity Groups after apportionment has been made on the basis of ratio of total expense to total cost of goods sold.

3. By Manufacturers in the third stage, from Cost Department records, financial accounting records and statistical information related to Selling and Administrative Expense:

Net Sales—By Commodity Groups

Cost of Sales—By Commodity Groups, as determined on the basis of article costs prepared by Cost Department.

Selling and Administrative Expense—By Commodity Groups after apportionment of each item of expense has been made to Commodity Groups based on facts in connection therewith, instead of the arbitrary apportionment based on the ratio of total expense to total cost of goods sold.

SELLING AND ADMINISTRATIVE EXPENSE

DISTRIBUTION:

During the last fifteen or twenty years, most manufacturers have adopted the practice of distributing Factory Expense to article costs upon the basis of labor cost or time expended in the processes of manufacturing, instead of the old fashioned method of figuring a percentage on the total cost of Material and Labor to cover all expense of both manufacturing and selling. This is a long step in the right direction. But nearly all manufacturers still distribute Selling and Administrative Expense in one lump sum, upon the basis of the percentage ratio of total Expense to total Manufacturing Cost. This is a jackpot method. It does not reveal true cost, for the reason that not all items included under the head of Selling and Administrative Expense (see pamphlet on "Budgeting") are related to each article sold in proportion to value. For instance, it does not cost five times as much to warehouse, sell, pack, ship and deliver a \$150 casket as it does a \$30 casket, nor is it right to make dry goods valued at \$25 carry the same amount of expense for storing, shipping and delivering as for a casket valued at \$25. Surely, too, the expense of entering the order, billing and bookkeeping is not in proportion to value of items but rather to number of items.

All members of this Association should strive to reach the third and final stage of progress in their accounting work as rapidly as possible in order that true values in this industry may become known. If careful thought is given the subject of correct distribution of business expense, it will become clear that the present method of adding Selling and Administrative Expense to article costs in a lump without first segregating them by Commodity Groups is inaccurate. A change of method may be deemed impracticable in the end, but at least managers get a true view of the fallacies and failures of their present methods and will therefore be on the lookout for improvements. The statistical information

necessary for more accurate distribution is not prohibitive because of time required to compile it. It is necessary to know how many units have been sold in each Commodity Group in order that some of the items of expense can be properly distributed, but other items can be charged to Commodity Groups direct without any arbitrary apportionment and still others are applied correctly on a basis of value.

In order to help managers in the Casket Industry in their study and consideration of the value and feasibility of Commodity Profit and Loss figures, the Association accountants, Johnson, Mahone, Aitchison & Tate, of Chicago have prepared the schedules and tables which follow. With the aid of these schedules a manufacturer should be able to work out for himself a satisfactory method of reaching accurate results. The difficulty of the job, however, should not be underestimated. The task of factory accounting departments will be simplified and facilitated by service from the Association accountants.

COMMODITY GROUPS.

In the following schedule frequent reference is made to Commodity Groups. These groups were defined by the Association Cost Committee as far back as 1914. They are as follows:

- Group A—Hardwood caskets.
- Group B—Cloth-covered Wood Caskets.
- Group C—Metal caskets.
- Group D—Metal Linings.
- Group E—Casket Hardware.
- Group F—Outside Boxes.
- Group G—Dry Goods.
- Group H—Vaults.
- Group I—Hearses.
- Group J—Undertakers' Sundries.

EXHIBIT "A"

COMMODITY PROFIT AND LOSS ACCOUNT

For period of _____ months ended _____ 192 .

Distribution Memo.	Total of All Groups	COMMODITY GROUPS							Etc.
		"A"	"B"	"C"	"D"	"E"	"F"	"G"	
Direct to Groups.									
	NET SALES:								
	Own Manufacture.....	\$	\$	\$	\$	\$	\$	\$	\$
	Jobbed Goods.....								
	Direct Shipments.....								
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$
Direct to Groups.	COST OF SALES:	\$	\$	\$	\$	\$	\$	\$	\$
	Material Consumed—								
	Lumber and Wood Parts.....								
	Textiles.....								
	Metal and Mfg. Hardware.....								
	Miscellaneous Material.....								
	Total Material.....	\$	\$	\$	\$	\$	\$	\$	\$
Direct to Groups.	Jobbed Goods.....								
See Schedule No. 1A.	Productive Factory Labor.....								
See Schedule No. 2B.	Factory Expense.....								
	Total Cost of Sales.....	\$	\$	\$	\$	\$	\$	\$	\$
	GROSS PROFIT	\$	\$	\$	\$	\$	\$	\$	\$
	SELLING AND ADMINISTRATIVE EXPENSE:								
	Pay Roll (Schedule No. 1C).....								
	Department Expense (Schedule No. 2A).....								
	Salesmen Expense.....								
	Credit and Collection Expense.....								
	Financial Expense.....								
	General Selling Expense.....								
	General Administrative Expense.....								
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$
	NET PROFIT.....	\$	\$	\$	\$	\$	\$	\$	\$
	FEDERAL AND STATE INCOME TAXES	\$	\$						
	SURPLUS FOR STOCKHOLDERS.....	\$	\$						
	INVESTMENT VALUE								
	Real Estate and Buildings.....	\$	\$	\$	\$	\$	\$	\$	\$
	Operating Equipment.....								
	Accounts Receivable.....								
	Merchandise Inventory.....								
	Total Investment.....	\$	\$	\$	\$	\$	\$	\$	\$
	Percentage of Total Investment to Net Profit.....	%	%	%	%	%	%	%	%

See preceding text relating to distribution of Selling and Administrative Expense (page 12).

SCHEDULE NO. 1-B

PAY ROLL SOLD

For Period of	Months Ended	192
<u>Basis for Distribution</u>	<u>Departments</u>	<u>Total Non-Productive Labor</u>
Transfer to line indicated on Schedule 2-A	Machine Room or Mill	\$
	Cabinet Room	
	Cloth or Covering Room	
	Varnish Department	
	Spraying Department	
	Dry Goods or Sewing Room	
	Pine Box Department	
	Casket Hardware Mfg. Dept.	
	Metal Lining Room	
	Metal Casket Department	
	Hearse Manufacturing Dept.	
	Lumber Yard and Dry Kiln	
	Boiler Room	
	Engine Room	
	General Factory:	
	Miscellaneous Factory Employees.	
Factory Supt. and Clerks		
Executive Salaries		
	Total Non-productive Labor	\$

SCHEDULE No. 1-C

PAY ROLL SOLD

For Period of	Months Ended	192
<u>Basis for Distribution</u>	<u>Departments</u>	<u>Total Selling and Administrative Pay Roll</u>
Transfer to line indicated on Exhibit "A"	Packing and Shipping Department	\$
	Delivery Department	
	Executive Salaries	
	General Office Salaries	
	Salesmen's Salaries	
	Total Selling and Administrative Pay Roll	\$

SCHEDULE 2-A

FACTORY EXPENSE SOLD (FIRST DISTRIBUTION)

For the period of _____ months ending _____ 192 .

Basis for Distribution	Expense Items	Amount		FACTORY DEPARTMENTS													SELLING DEPARTMENTS					Memo Only Total of Selling Dept. Expense	
		Item	Total	Mill	Cabinet Room	Cloth Room	Varnish Dept.	Spraying or Dept.	Drygoods Sewing Room	Pine Box Dept.	Casket Hdwe. Mfg. Dept.	Metal Lining Dept.	Metal Casket Dept.	Hearse Mfg. Dept.	Lumber Yard and Dry Kiln	Boiler Room	Engine Room	General Factory Dept.	Packing and Shipping Dept.	Delivery Dept.	General Office		Ware-Room
Direct Charges.	Shop Supplies.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Repairs and Miscellaneous Expense.....																						
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Floor Space Occupied by each Department.	Interest on Real Estate and Buildings..																						
	Taxes on Real Estate and Buildings...																						
	Interest on Buildings.....																						
	Depreciation on Buildings.....																						
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Value of Operating Equipment Used in Each Department.	Taxes on Operating Equipment.....																						
	Insurance on Operating Equipment.....																						
	Depreciation on Operating Equipment.....																						
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Value of Average Inventory in each Department.	Taxes on Stock.....																						
	Insurance on Stock.....																						
	Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
From Schedule No. 1B.	Non-productive Labor.....																						
	Totals.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

NOTE.—Totals of Factory Department Columns to be transferred to Schedule No. 2B. Total of Selling Department Expense to be transferred to Exhibit "A."

