

The following information pertains to Fanning Manufacturing Company for March Year 3. Assume actual overhead equaled applied overhead.

March 1	
Inventory balances	
Raw materials	\$124,300
Work in process	119,900
Finished goods	76,300
March 31	
Inventory balances	
Raw materials	\$ 86,000
Work in process	146,000
Finished goods	81,600
During March	
Costs of raw materials purchased	\$118,100
Costs of direct labor	101,300
Costs of manufacturing overhead	61,600
Sales revenues	354,000

#### Required

- Prepare a schedule of cost of goods manufactured and sold.
- Calculate the amount of gross margin on the income statement.