Destin Brass Products Co.

In preparing the case please answer the following questions:

1. Use the Overhead Cost Activity Analysis in Exhibit 5 and other data on manufacturing costs to estimate product costs for valves, pumps, and flow controllers.

2. Compare the estimated costs you calculate to existing standard unit costs (Exhibit 3) and the revised unit costs (Exhibit 4). What causes the different product costing methods to produce such different results?

3. What are the strategic implications of your analysis? What actions would you recommend to the managers at Destin Brass Products Co?