PROBLEM 2

Kleen Karpet cleaned 65 rugs in October, consuming the following resources:

Labor: 520 hours at $13 per hour 6760
Solvent: 100 gallons at $5 per gallon 500
Machine rental: 20 days at $50 per day 1000

What is the labor productivity?

Productivity = Units produced / Labor-hours used

65 rugs / 520 hours = 0,125

    Answer:

They produced 1,25 rugs per 10 hours.

What is the multifactor productivity?

Productivity = Output / Labor + Material + Energy + Capital + Miscellaneous

65 units / 8260 $ = 0,007869 $

    Answer:

It cost 0,78 cents for the company to wash one rug.