**Chapter 17 Alternate Demo Problem**

**Windy River Float Trips uses activity-based costing to compute the cost of the river raft trips. Each raft holds six customers and a guide. The costs for these float trips are as follows:**

**Activities (cost driver) Costs**

**Trailer rent fee (trip) $127 per trip**

**Advertising (trips) 215 per trip**

**Insurance (trips) 50 per trip**

**Depreciation (trips, people) 40 per trip plus $8 per person**

**Wages (trips, guides) 400 per trip per guide**

**Shore lunch (people) 60 per person**

**Compute the cost of a raft trip with 4 rafts, 24 customers and 4 guides.**

**Chapter 17 Solution: Alternate Demo Problem**

**Activities River Float Trips**

**Trailer Rent Fee $ 127**

**Advertising 215**

**Insurance 50**

**Depreciation 264 ((8 × 28) + 40)**

**Wages 1,600 (400 × 4)**

**Shore lunch 1,680 (60 × 28)**

**Total $3,936 cost per trip**