

Budgeting - Production | Question Layout

(Item 1)

(Item 2)

Sales budget:

Expected:	Sales	000	000
	x Selling price	<u>000</u>	<u>000</u>
	= Sales value	000	000

Production budget:

Expected:	Sales	000	000
	+ closing stock	000	000
	Less o.stock	<u>(000)</u>	<u>(000)</u>
=	Budgeted production	000	000

Material usage budget:

Material A:

Item 1	000
Item 2	<u>000</u>
= Mat. A usage	000 kg

Material B

Item 1	000
Item 2	<u>000</u>
= Mat. B usage	000 kg

<u>Materials purchases budget:</u>	<u>Mat. A</u>	<u>Mat. B</u>
Budgeted: Material required	000	000
+ c.stock	000	000
-o.stock	<u>(000)</u>	<u>(000)</u>
= Purchase of material	000	000
x price per kg	<u>€x</u>	<u>€x</u>
= purchases	<u>000</u>	<u>000</u>

	(Item1)	(Item 2)
<u>Labour budget:</u>		
Budgeted production	000	000
x No. hours	<u>000</u>	<u>000</u>
= Total labour hours	000	000
x direct hourly rate	<u>€y</u>	<u>€y</u>
= Budgeted total labour cost	<u>000</u>	<u>000</u>

<u>Variable overhead budget:</u>		
Total labour hours	000	000
x Variable overhead rate	<u>€z</u>	<u>€z</u>
= Total variable	<u>000</u>	<u>000</u>

Manufacturing budget

Raw materials:

Opening stock of raw materials:

Mat. A	000	
Mat. B	<u>000</u>	000

+ Purchases of raw materials:

Mat. A	000	
Mat. B	<u>000</u>	<u>000</u>
=		<u>000</u>

- Closing stock of raw materials:

Mat. A	000	
Mat. B	<u>000</u>	<u>(000)</u>
= Cost of materials used		<u>000</u>

Direct labour:

Item 1	000	
Item 2	<u>000</u>	<u>000</u>
=		<u>000</u>

Prime cost:

Variable overheads:

Item 1	000	
Item 2	<u>000</u>	000
+ Fixed Overheads		<u>000</u>
= Cost of manufacture		<u>000</u>

Budgeted Trading a/c

Sales			000
<i>Less cost of Sales:</i>			
<i>O. Stock of finished goods:</i>			
Item 1	000		
Item 2	<u>000</u>	000	
+ Cost of manufacture		<u>000</u>	
=		000	
<i>-C. Stock of finished goods:</i>			
Item 1	000		
Item 2	<u>000</u>	<u>(000)</u>	<u>(000)</u>
= Gross profit			<u>000</u>