## **Question 9 - solution**

(a)

|      | Sales Budget   |                |                                |   |                       |
|------|--|----------------|--------------------------------|---|-----------------------|
|      |  |                | Roadstar                       |   | <u>Climber</u>        |
|      | Budgeted quantities  |                | 800                            |   | 500                   |
|      | Budgeted selling price   |                | €220                           |   | €290                  |
|      | <b>Budgeted Sales Value</b>  |                | €176,000                       | •   | €145,000 <b>⑦</b>     |
|      |  |                |                                |   |                       |
|      |  |                |                                |   |                       |
| (b)  |  |                |                                |   | 116                   |
| (6)  | Duade  | uation Duda    | rot.                           |   |                       |
|      | rrout  | uction Budg    | Roadstar                       |   | <u>Climber</u>        |
|      | Budgeted sales   |                | 800                            |   | 500                   |
|      | Add budgeted closing stock   |                | <u>220</u>                     |   | <u>180</u>            |
|      |  |                | 1,020                          |   | 680                   |
|      | Less budgeted opening stock  |                | ( <u>240)</u>                  | _   | ( <u>110)</u>         |
|      | <b>Budgeted Production in units</b>  |                | <u>780</u>                     | 8   | <u>570</u> <b>3</b>   |
|      |  |                |                                |   |                       |
|      |  |                |                                |   |                       |
| (a)  |  |                |                                |   | 116                   |
| (c)  | 36   |                |                                |   | 10                    |
|      | <u>Materials Usage Budget</u><br>Material A Material B                                       |                |                                |   |                       |
|      |  | 1              | Tateriai A                     | Material B  |                       |
|      | Roadstar   | (780 x 6 kg)   | 4,680 kg                       | 6,240 kg (7   | 80 x 8 kg)            |
|      |  | (570 x 4 kg)   | <u>2,280</u> kg                | $\frac{2,850}{1}$ kg (5   |                       |
|      | <b>Budgeted material usage</b>   |                | 6,960 kg <b>8</b>              | <u>9,090</u> kg <b>8</b>  |                       |
|      |  |                |                                |   |                       |
|      |  |                |                                |   |                       |
| ( I) |  |                |                                |   | 20                    |
| (d)  |  |                |                                |   | 20                    |
|      | Material Purchases Budget  |                |                                |   |                       |
|      | Dudastad Matarial Haras in Isa's   |                | Material A                     | Material B  |                       |
|      | Budgeted Material Usage in kg's  |                | 6,960 <b>0</b>                 | 9,090 <b>0</b>  |                       |
|      | Add Budgeted Closing stock   |                | 470 <b>3</b>                   | 640 <b>3</b>  |                       |
|      | Lara Dividenta d'On anima ata ala  |                | 7,430<br>(400) <b>3</b>        | 9,730   |                       |
|      | Less Budgeted Opening stock<br>Material Purchases Budget in kg's                             |                | 7,030                          | <u>(560)</u> <b>3</b> 9,170   |                       |
|      | Budgeted Purchase price per kg   |                | 7,030<br>€12 <b>0</b>          | <u>€15</u> <b>①</b>   |                       |
|      | Budgeted Furchase price per kg   |                |                                |   |                       |
|      |  |                |                                |   | C221 010              |
|      |  |                | €84,360 <b>2</b>               | €137,550 <b>②</b>   | €221,910              |
|      |  |                |                                |   | €221,910              |
|      |  |                |                                |   | €221,910              |
| (e)  |  |                |                                |   | €221,910<br><b>14</b> |
| (e)  |  |                |                                | €137,550 <b>②</b>   | €221,910              |
| (e)  |  |                |                                |   | €221,910<br>14        |
| (e)  | Roadstar (Production x Labour hrs per  | · unit) (780 u | €84,360 <b>②</b>               | €137,550 <b>②</b>   | €221,910<br>14        |
| (e)  | Roadstar (Production x Labour hrs per<br>Climber (Production x Labour hrs per                |                | €84,360 <b>②</b>               | €137,550 <b>2</b> <u>Labour Budget</u>  | €221,910<br>14        |
| (e)  | `  |                | €84,360 <b>2</b> nits x 8 hrs) | €137,550 <b>2 Labour Budget</b> 6,240 <b>4</b>                                      | €221,910<br>14        |
| (e)  | Climber (Production x Labour hrs per   |                | €84,360 <b>2</b> nits x 8 hrs) | €137,550 <b>2 Labour Budget</b> 6,240 <b>4</b> 6,270 <b>4</b>                       | €221,910<br>14        |
| (e)  | Climber (Production x Labour hrs per<br>Budgeted direct labour hours                         |                | €84,360 <b>2</b> nits x 8 hrs) | €137,550 <b>2 Labour Budget</b> 6,240 <b>4</b> 6,270 <b>4</b> 12,510                | €221,910<br>14        |
| (e)  | Climber (Production x Labour hrs per<br>Budgeted direct labour hours<br>Labour rate per hour |                | €84,360 <b>2</b> nits x 8 hrs) | €137,550 <b>2</b> Labour Budget  6,240 <b>4</b> 6,270 <b>4</b> 12,510  €14 <b>2</b> | €221,910 14           |