

Esercizio 5

1. Seafood, Inc.

Production Budget For the First Quarter of the Year

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Sales	200,000	240,000	220,000	660,000
Desired ending inventory	<u>84,000</u>	<u>77,000</u>	<u>70,000</u>	<u>70,000</u>
Total needs	284,000	317,000	290,000	730,000
Less: Beginning inventory	<u>36,000</u>	<u>84,000</u>	<u>77,000</u>	<u>36,000</u>
Units produced	<u>248,000</u>	<u>233,000</u>	<u>213,000</u>	<u>694,000</u>

2. Seafood, Inc.

Direct Materials Purchases Budget For January and February

Cans:

	<u>January</u>	<u>February</u>	<u>Total</u>
Production	248,000	233,000	481,000
× 1 can	<u>× 1</u>	<u>× 1</u>	<u>× 1</u>
Cans for production	248,000	233,000	481,000
Desired ending inventory	<u>46,600</u>	<u>42,600</u>	<u>42,600</u>
Total needs	294,600	275,600	523,600
Less: Beginning inventory	<u>49,600</u>	<u>46,600</u>	<u>49,600</u>
Cans purchased	<u>245,000</u>	<u>229,000</u>	<u>474,000</u>

Shrimp:

	<u>January</u>	<u>February</u>	<u>Total</u>
Production	248,000	233,000	481,000
× 4 ounces	<u>× 4</u>	<u>× 4</u>	<u>× 4</u>
Ounces for production	992,000	932,000	1,924,000
Desired ending inventory	<u>186,400</u>	<u>170,400</u>	<u>170,400</u>
Total needs	1,178,400	1,102,400	2,094,400
Less: Beginning inventory	<u>198,400</u>	<u>186,400</u>	<u>198,400</u>

Ounces purchased	<u>980,000</u>	<u>916,000</u>	<u>1,896,000</u>
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Jimison, Inc.
Production Budget
For the First Quarter 20XX

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>	
Sales	150,000	200,000	220,000	220,000	570,000
Desired ending inventory	<u>30,000</u>	<u>33,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Total needs	180,000	233,000	250,000	250,000	600,000
Less: Beginning inventory	<u>12,000</u>	<u>30,000</u>	<u>33,000</u>	<u>33,000</u>	<u>12,000</u>
Units to be produced	<u>168,000</u>	<u>203,000</u>	<u>217,000</u>	<u>217,000</u>	<u>588,000</u>

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Lester Company
Direct Materials Purchases Budget
For March, April, and May 20XX

	<u>March</u>	<u>April</u>	<u>May</u>	<u>Total</u>
Units to be produced	5,000	25,000	35,000	65,000
Direct materials per unit (yards)	× <u>25</u>	× <u>25</u>	× <u>25</u>	× <u>25</u>
Production needs	125,000	625,000	875,000	1,625,000
Desired ending inventory				

(yards)	<u>125,000</u>	<u>175,000</u>	<u>30,000</u>	<u>30,000</u>
Total needs	250,000	800,000	905,000	1,655,000
Less: Beginning inventory	<u>25,000</u>	<u>125,000</u>	<u>175,000</u>	<u>25,000</u>
Direct materials to be purchased (yards)	225,000	675,000	730,000	1,630,000
Cost per yard	× \$0.17	× \$0.17	× \$0.17	× \$0.17
Total purchase cost	<u>\$ 38,250</u>	<u>\$114,750</u>	<u>\$124,100</u>	<u>\$ 277,100</u>

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Norton, Inc.
Sales Budget
For the Coming Year

<u>Model</u>	<u>Units</u>	<u>Price</u>	<u>Total Sales</u>
LB-1	50,400	\$29.00	\$1,461,600
LB-2	19,800	15.00	297,000
WE-6	25,200	10.40	262,080
WE-7	17,820	10.00	178,200
WE-8*	9,600	22.00	211,200
WE-9*	4,000	26.00	104,000
Total			<u>\$2,514,080</u>

*Recall that WE-8 and WE-9 sales from last year were only from the last quarter. Current year sales are estimated to be four times those amounts.

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- Janzen, Inc.
Schedule of Cash Receipts
For July

Payments on account:

From May credit sales:		
.....	(0.15 × \$220,000)	\$ 33,000
From June credit sales:		
.....	(0.60 × \$230,000)	138,000
From July credit sales:		
.....	(0.20 × \$210,000)	42,000
Less: July cash discount		
.....	(0.02 × \$42,000)	<u>(840)</u>
Cash receipts		<u>\$212,160</u>

2. Janzen, Inc.
Schedule of Cash Receipts
For August

Payments on account:		
From June credit sales:		
.....	(0.15 × \$230,000)	\$ 34,500
From July credit sales:		
.....	(0.60 × \$210,000)	126,000
From August credit sales:		
.....	(0.20 × \$250,000)	50,000
Less: August cash discount (0.02 × \$50,000)		<u>(1,000)</u>
Cash receipts		<u>\$209,500</u>

Esercizio 10

1. Cash Budget
For June

Beginning cash balance	\$ 830
Collections:	
Cash sales	15,000
Credit sales:	

..... Current month ($\$50,000 \times 50\%$)		25,000
..... May credit sales ($\$35,000 \times 30\%$)		10,500
..... April credit sales*		<u>3,788</u>
Total cash available	\$	55,118
Less disbursements:		
Inventory purchases:		
..... Current month ($\$65,000 \times 75\% \times 20\%$)	\$	9,750
..... Prior month ($\$50,000 \times 75\% \times 80\%$)		30,000
Salaries and wages	8,700	
..... Rent		1,340
..... Taxes		<u>5,500</u>
..... Total cash needs		<u>55,290</u>
Excess of cash available over needs	\$	<u>(172)</u>

* $\$25,000 \times 15\% = \$3,750$

$\$3,750 \times 0.01 = \38

$\$3,750 + \$38 = \$3,788$

2. Yes, the business does show a negative cash balance for the month of June. A negative budgeted cash balance is unacceptable. The easiest way to deal with it would be for the owner to consider taking less cash salary.

Esercizio 11

1. Woodruff Manufacturing
For the Quarter Ended March 31, 20XX

a. Schedule 1: Sales Budget

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Units	40,000	50,000	60,000	150,000
Selling price	\times <u>\$180</u>	\times <u>\$180</u>	\times <u>\$180</u>	\times <u>\$180</u>
Sales	<u>\$7,200,000</u>	<u>\$9,000,000</u>	<u>\$10,800,000</u>	<u>\$27,000,000</u>

b. Schedule 2: Production Budget

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Sales (Schedule 1)	40,000	50,000	60,000	150,000
Desired ending inventory	<u>40,000</u>	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>
Total needs	80,000	98,000	108,000	198,000
Less: Beginning inventory	<u>32,000</u>	<u>40,000</u>	<u>48,000</u>	<u>32,000</u>
Units to be produced	<u>48,000</u>	<u>58,000</u>	<u>60,000</u>	<u>166,000</u>

c. Schedule 3: Direct Materials Purchases Budget

	<u>January</u>		<u>February</u>		<u>March</u>		<u>Total</u>	
	<u>Metal</u>	<u>Components</u>	<u>Metal</u>	<u>Components</u>	<u>Metal</u>	<u>Components</u>	<u>Metal</u>	<u>Components</u>
Units to be produced (Schedule 2)	48,000	48,000	58,000	58,000	60,000	60,000	166,000	166,000
Direct materials per unit	× <u>10</u>	× <u>6</u>	× <u>10</u>	× <u>6</u>	× <u>10</u>	× <u>6</u>	× <u>10</u>	× <u>6</u>
Production needs 996,000	480,000	288,000	580,000	348,000	600,000	360,000	1,660,000	
Desired ending inventory 180,000	<u>250,000</u>	<u>150,000</u>	<u>300,000</u>	<u>180,000</u>	<u>300,000</u>	<u>180,000</u>	<u>300,000</u>	
Total needs 1,176,000	730,000	438,000	880,000	528,000	900,000	540,000	1,960,000	
Less: Beginning inventory 120,000	<u>200,000</u>	<u>120,000</u>	<u>250,000</u>	<u>150,000</u>	<u>300,000</u>	<u>180,000</u>	<u>200,000</u>	
Direct materials to be purchased 1,056,000	530,000	318,000	630,000	378,000	600,000	360,000	1,760,000	
Cost per unit	× <u>\$8</u>	× <u>\$2</u>	× <u>\$8</u>	× <u>\$2</u>	× <u>\$8</u>	× <u>\$2</u>	× <u>\$8</u>	× <u>\$2</u>
Total cost <u>\$2,112,000</u>	<u>\$4,240,000</u>	<u>\$636,000</u>	<u>\$5,040,000</u>	<u>\$756,000</u>	<u>\$4,800,000</u>	<u>\$720,000</u>	<u>\$14,080,000</u>	