**Seminar 5.**

**4.Budget of the total costs of production**

1. How to calculate factory overhead budget, how can Cash outflow for the other direct and general production costs be defined
2. Classification of factory overhead costs
3. Spoilage costs
4. Depreciation
5. How depreciation fund is accumulated
6. Ways to reduce overhead costs
7. Cost of goods manufactured & cost of goods sold, ways of their definition

8. The Coral Reef Adventure Resort plans to transport guests to its underwater facility in a submarine. The sub cost $250,000, has a salvage value of $10,000, and has an estimated useful life of 48,000 hours, or 6 years’ use. During the first year of the sub’s operation, it was used for 8,000 hours. Using the straight-line method of depreciation, calculate the sub’s depreciation for the first year.

a. $50,000

b. $40,000

c. $36,000

d. $80,000

9. The Coral Reef Adventure Resort plans to transport guests to its underwater facility in a submarine. The sub cost $250,000, has a salvage value of $10,000, and has an estimated useful life of 48,000 hours, or 6 years’ use. During the first year of the sub’s operation, it was used for 8,000 hours. Using the units of production method of depreciation, calculate the sub’s depreciation for the first year.

a. $41,667

b. $40,000

c. $38,000

d. $35,000

10. The Coral Reef Adventure Resort plans to transport guests to its underwater facility in a submarine. The sub cost $250,000, has a salvage value of $10,000, and has an estimated useful life of 48,000 hours, or 6 years’ use. During the first year of the sub’s operation, it was used for 8,000 hours. Using the sum-of-the-years’ digits method of depreciation, calculate the sub’s depreciation for the first year.

a. $68,571

b. $71,870

c. $63,140

d. $68,061

11. The Lagoon Adventure Resort plans to transport guests to its underwater facility in a submarine. The sub cost $250,000, has a salvage value of $10,000, and has an estimated useful life of 40,000 hours, or 5 years’ use. During the first year of the sub’s operation, it was used for 8,000 hours. Using the double declining balance method of depreciation, calculate the sub’s depreciation for the first year.

a. $48,000

b. $92,000

c. $94,000

d. $100,000

**Task 12**

Calculate the sales budget by quarters, if:

Quantity of sold production in I quarter – 300 units,

in II quarter decreased on 4% from previous,

in III quarter increased on 20% from previous,

in IV quarter decreased on 30% from previous,

The price is reducing by 50% on average, if demand decreases

The price is formed by:

profit – 10 hrn.

Direct material costs – 30 hrn./unit.

Sales costs – 5% from cost of production.

Direct labor costs – 20 hrn./unit.

General business costs – 10% from profit

Depreciation per unit – 20 hrn.

General production costs – 20% from Direct material costs.