

Exercise 1

The manufacturer planned and found the following values in material consumption in his company:

Item	Unit	Price
Material consumption	Kg	CZK per kg
Planned situation	300	15
Real situation	320	16

1. Calculate the actual cost
2. Calculate the planned costs
3. Calculate the total cost variance in monetary units.
4. Calculate how the price increase contributed to the total variance (price variance)
5. Calculate how consumption growth contributed to the total variance (quantity variance)

Exercise 2

Items	Units
Calculated material consumption	90 CZK
Production plan	5. 000 gloves
Real production	4. 800 gloves
Budgeted consumption of basic material	450 000 CZK
Actual consumption of basic material	420 000 CZK

- Assess the level of economy achieved in glove manufacturing.

Exercise 3

Items	Units
Sales revenue	300.000.000 CZK
Air freight costs (material consumption, purchased services, depreciation, labor costs)	210.000.000 CZK
Profit tax	10.000.000 CZK
The net profit	24.400.000 CZK
Invested capital	1.200.000.000 CZK
Foreign resources (mainly bank loans)	2/3 of capital
Interest rate of bank loans	6.95 %
Required appreciation of equity capital by business owners	11 %
Income tax rate	24 %

The airline achieved the following results in the period under review:

- Calculate the amount of return on equity and interpret the result.
- Calculate the amount of economic added value and interpret the result.

Exercise 4

Items	Units
Purchase price of goods	100.000 CZK
Selling price of goods	120.000 CZK
Replacement cost	106.000 CZK
Opportunity costs	10 % of return on costs

- Express the cost of goods sold depending on their financial, value and economic concept.
- Find out the trade margin (profit) from the sale of goods.

Exercise 5

Mr. Smith decided to do business as a craftsman.

Items	Units
Annual earnings	500.000 CZK
Production and other costs	300.000 CZK
Invested capital	1.000.000 CZK
Interest rate on invested capital	6 %
Lost monthly salary due to business	9.000 CZK

- Calculate accounting and economic profit.