**Exercise 1**

From the following:

• prepare a balance sheet and calculate the share capital;

• prepare an income statement

• calculate partial profit or loss.

Customers CZK 280.000; Goods (inventory) in stock 350.000 CZK; Interest on deposits CZK 3.000; Buildings 600.000 CZK; Long-term bank loans CZK 400.000; Employees CZK 270.000; Loan interest CZK 8.000; Shortages and damages CZK 6.000; Sales of goods 500.000 CZK; Suppliers CZK 370,000; Bank accounts CZK 400.000, Repairs CZK 15.000.

|  |
| --- |
| **Balance sheet in thousands of CZK** |
| ***Assets*** | ***Liabilities*** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total assets** |  | **Total liabilities** |  |

|  |
| --- |
| **Income statement in thousands of CZK** |
| ***Expenses*** | ***CZK*** | ***Revenues*** | ***CZK*** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total costs** |  | **Total revenues** |  |
| ***Profit or loss*** |  |

|  |  |
| --- | --- |
| **Item** | **Thousands of CZK** |
| Operating profit or loss  |  |
| Financial profit or loss |  |
| Profit or loss for the accounting period |  |

**Exercise 2**

|  |  |
| --- | --- |
| **Items** | **Units** |
| Number of products produced | 20 pcs |
| Number of products sold | 16 pcs |
| Cost of manufactured products (production price) | 200 CZK |
| The amount for which the products were sold (selling price) | 360 CZK |

Find out:

1. how much are the company's revenues
2. how much are the company's costs
3. the economic result of the enterprise
4. cost effectiveness of the company
5. revenue profitability of the company

**Exercise 3**

|  |  |
| --- | --- |
| **Items** | **Units** |
| Number of products produced | 20 pcs |
| Number of products sold | 20 pcs |
| Cost of manufactured products (production price) | 200 CZK |
| The amount for which the products were sold (selling price) | 400 CZK |

Find out:

1. how much are the company's revenues
2. how much are the company's costs
3. the economic result of the enterprise
4. cost effectiveness of the company
5. revenue profitability of the company

**Exercise 4**

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 | 400 | 20 |
| Real situation | 450 | 25 |

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 5**

|  |  |
| --- | --- |
| **Items** | **Units** |
| Calculated material consumption | 180 CZK |
| Production plan | 10.000 toys |
| Real production | 9.600 toys |
| Budgeted consumption of basic material | 900 000 CZK |
| Actual consumption of basic material | 840 000 CZK |

* Assess the level of economy achieved in glove manufacturing.

**Exercise 6**

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

|  |  |
| --- | --- |
| **Items** | **Units** |
| Sales  | 600.000 CZK |
| Air freight costs (material consumption, purchased services, depreciation, labor costs) | 200.000 CZK |
| Profit tax | 20.000 CZK |
| The net profit | 48.000 CZK |
| Invested capital | 2.400.000 CZK |
| Foreign resources (mainly bank loans) | 1/3 of capital |
| Interest rate of bank loans | 5 % |
| Required appreciation of equity capital by business owners | 9 % |
| Income tax rate | 20 % |

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

**Exercise 7**

|  |  |
| --- | --- |
| **Items** | **Units** |
| Purchase price of goods | 200.000 CZK |
| Selling price of goods | 240.000 CZK |
| Replacement cost | 212.000 CZK |
| Opportunity costs | 20 % 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 8**

Mr. Smith decided to do business as a craftsman.

|  |  |
| --- | --- |
| **Items** | **Units** |
| Annual earnings | 1.000.000 CZK |
| Production and other costs | 600.000 CZK |
| Invested capital | 2.000.000 CZK |
| Interest rate on invested capital | 8 % |
| Lost monthly salary due to business | 30.000 CZK |

* Calculate accounting and economic profit.

**Example 9**

The manufacturing company has the following production data for its product:

1. total fixed costs CZK 80.000

2. Total variable costs 60.000 CZK

3. price of 1 product 80 CZK

4. quantity produced - capacity 4.000 pcs

5. planned production range 3.400 pcs

**Calculate:**

(1) production volume for break-even point;

2) single (absolute) margin,

3) contribution to sales,

4) Reversal turnover

5) margin of safety.