

Exercise 1

The company plans to sell the products in the following period. The first period includes sales of 800 units of products, the second period includes sales of 700 units of products, the third period includes sales of 900 units of products, and the fourth period includes sales of 800 units of products. The unit selling price of the product is \$80.

- Create a sales budget.

Exercise 2

ABC company produces special jackets. The price of one jacket is CZK 1,300 and its production requires CZK 450 of unit material, CZK 120 of unit wages, CZK 95 for variable production overheads and CZK 65 for variable sales overheads. The budgeted fixed overhead costs of the company are: production fixed overheads CZK 1,200,000 and sales fixed overheads CZK 950,000.

- Establish a revenue, cost and profit budget for an estimated sales volume of 5,000 jackets.

Exercise 3

ABC produces liquid soaps. Establish a budget for sales and collection of sales for the second quarter, if you know the sales plan and know that the price of 1 liter of soap is 70 CZK, 60% of customers are small customers who pay when buying and other customers are large customers who pay their obligations for a month after delivery. The plan for the sale of soap (in thousands of liters) is given in the following table:

	March	April	May	June
Soap sales plan	500	650	480	520

Exercise 4

Make a ABC cash flow budget for October if you know the following:

- The balance of cash on hand and in the company's accounts as at 1 October amounts to CZK 21,000
- sales are collected at 60% in the month of sale, 25% in the following month, 10% in the second month and 5% are irrecoverable
- the sales volume amounted to CZK 325,000 in August, CZK 240,000 in September and CZK 350,000 is expected for October.
- 65% of realized purchases of inventories are paid in the month of purchase and the rest in the following month

- in September, the company purchased goods in the amount of CZK 140,000 and CZK 170,000 is budgeted for October
- CZK 47,500 is calculated for salary payments in October
- Depreciation of fixed assets for October was calculated in the amount of CZK 10,000
- other expenses according to the budget for October amount to CZK 31,000
- the advance on income tax paid in October will amount to CZK 12,500
- interest on the loan transferred from the company's account in October is set at CZK 3,750

Exercise 5

The company is able to draw up an overhead budget broken down into aggregate variable and fixed costs, at the same time it consistently plans and monitors the consumption of working time:

Plan (CZK):

Total overhead budget 5,000,000 of that

- fixed component 4,000,000
- variable component 1,000,000
- Variable component set at 100,000 hours of work.

At the end of the period, the following actual overhead values were found:

Fact (CZK):

Total overhead budget 5,500,000 of that

- fixed component 4,000,000
- variable component 1,500,000
- Reported: 115,000 hours of work.

Tasks:

1. Evaluate the implementation of the budget using the so-called fixed uncalculated budget procedure

2. Evaluate the implementation of the budget using the so-called fixed recalculated budget procedure

3. Evaluate the implementation of the budget using the so-called variant budget procedure