TYPE A: FLEXIBLE BUDGET

Q1: Lucky Ltd. is currently operating at 75% of its capacity. In the past two years, the levels of operation were 55% and 65% respectively. Presently, the production is 75,000 units. The company is planning for 85% capacity level during 2005-2006. The cost details are as follows:

Particulars	(Rs.)		
	55%	65%	75%
Direct Materials	11,00,000	13,00,000	15,00,000
Direct Labour	5,50,000	6,50,000	7,50,000
Factory Overheads	3,10,000	3,30,000	3,50,000
Selling Overheads	3,20,000	3,60,000	4,00,000
Administrative Overheads	1,60,000	1,60,000	1,60,000
Total	24,40,000	28,00,000	31,60,000

Profit is estimated @ 20% on Sales.

The following increase, in the costs is expected during the year	(In Percentage)
Direct Materials	8
Direct Labour	5
Variable Factory Overheads	5
Variable Selling Overheads	8
Fixed Factory Overheads	10
Fixed Selling Overheads	15
Administrative Overheads	10

Prepare Flexible Budget for the current year as well as for the period of 2005-2006 at 85% of capacity.

Q 2: A manufacturing company is operating at 75% of normal capacity. It is proposed to offer a price reduction of 5% to 10% depending upon the sales volume desired. Given below is the relevant data:

Capacity	75%	85%	100%
Output (Units)	75,000	85,000	1,00,000
Selling Price/Unit	Rs.96	5% off	10% off
Materials Cost/Unit	Rs.40	10% Less	15% Less
Wages Cost/Unit	Rs.10	Rs.10	Rs.10

Fixed Overheads:

Production	Rs.14,00,000
Selling And Administration	Rs. 5,00,000

Variable Overheads:

Production	Rs.14,00,000 @ normal capacity
Selling and Administration	Rs. 4,40,000 @ normal capacity

(a) Prepare a single statement to show profit/loss at each level of output.
(b) Compute unit variable cost, unit fixed cost and unit total cost at different levels of output
(c) Indicate which of the three levels is more profitable.

Q 3: A factory is engaged in manufacturing plastic buckets and is working to 40% capacity and produces 10,000 buckets per annum. The present cost break-up for one bucket is as under:

Materials	Rs.10
Labour Cost	Rs. 3
Overhead (60% fixed)	Rs. 5

The selling price is Rs.20 per bucket. If it is decided to work the factory at 50% capacity, the selling price falls by 3%. At 90% capacity, the selling price falls by 5% accompanied by a similar fall in the prices of material.
You are required to calculate the profit at 50% and 90% capacities and also calculate break-even points for the same capacity of productions.

Q 4: PRONTO company's plant had operated at 60% capacity in the year 2005. The summarised results were:
Sales Rs.40 lakhs.
Material Cost Rs.12 lakhs.
Direct Labour Rs.6 lakhs.
Overheads Rs.10 lakhs.
It is expected that market will expand to match 75% capacity, when overheads are expected to touch Rs.12 lakhs, during 2006 -
(a) Based on the above information calculate -
(i) Break-even point in the years 2005 and 2006.
(ii) Margin of safety in 2006.
(b) Further capacity utilisation (increase in sales quantity) can be achieved only with 5% Price reduction. Calculate the sales target and capacity utilisation to earn a profit of Rs.17 Lakhs in the year 2006.

Q 5: Cost Accountant of Norma Ltd. has prepared the following flexible budget (Rs. '000):

Capacity ⟶	**70%**	**80%**
Depreciation	11	11
Insurance	3	3
Indirect Labour	10.5	12
Power	17	20
Repairs and Maintenance	19	20
Salaries	10	10
Stores Consumable	3.5	4

(a) If 100% capacity represents 50 tonnes. What would be the budgeted overhead cost per tonne at production level of 33?
(b) If the prime cost is Rs.5000 per tonne, what is the production cost per tonne at 100% Capacity utilisation?

Q 6: Calculate the budgeted overhead cost per tonne at production level of 35 tonnes based on following details at 80% capacity (40 tonnes):

	Rs. '000
Depreciation	22
Indirect labour	24
Insurance	6
Power (80% Variable)	40
Repairs and Maintenance (50% fixed)	40
Salaries	20
Stores Consumable	8

Q 7: Company ABC Ltd. produces 10,000 units. The company's expenses to 1 unit of the product is listed below:

Direct Material	--	Rs.7
Direct Labour	--	Rs.5

Other Variable Expenses	--	Rs.4.5
Administrative Overhead	--	Rs.6 (40% variable)
Selling Overhead	--	Rs.3 (75% variable)
Production Overhead	--	Rs.4 (20% variable)
Purchase of Equipment	--	Rs.30,000
Selling Price	--	Rs.120

Prepare budget for 70%, 80% and 100% utilisation of the capacity of the details listed above is for 90% utilisation of the installed capacity.

Q 8:*(M.U., BAF, April 2006)* The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% and 90% capacity.

	Expenses at 50% capacity (Rs.)
Fixed Expenses:	
Salaries	50,000
Rent and Taxes	40,000
Depreciation	60,000
Administrative Expenses	70,000
Variable Expenses:	
Materials	2,00,000
Labour	2,50,000
Others	40,000
Semi-variable Expenses:	
Repairs	1,00,000
Indirect Labour	1,50,000
Others	90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when the capacity crosses by 75%.

Estimated Sales:

(Capacity)	(Rs.)
60%	11,00,000
70%	13,00,000
90%	15,00,000

Q 9:*(M.U., BAF, October 2006)* AB Ltd. has furnished the following information pertaining to Product 'A' at 80% of its capacity level for the quarter ending March 31, 2005.

Sales	Rs.6,00,000
Administrative Costs:	
Office Salaries	Rs.90,000
General Expenses	2% of Sales
Depreciation	Rs.7,500
Rates and Taxes	Rs.8,750
Selling Costs:	
Salaries	8% of Sales
Travelling Expenses	2% of Sales
Sales Office Expenses	1% of Sales
General Expenses	1% of Sales

Distribution Costs:

Wages	Rs.15,000
Rent	1% of Sales
Other Expenses	4% of Sales

Prepare the budget for the total Administration, Selling and Distribution expenses at 70% and 90% capacity levels.

Q 10:*(M.U., BAF, October 2007)* Janta Ltd. manufactures 10,000 units of Product JV at a cost of Rs.90 per unit. Presently, the company is utilising 50% of the total capacity. The information pertaining to cost per unit of the product is as follows:

	Rs.
Material	50
Labour	10
Factory Overheads	20 (40% fixed)
Administrative Overheads	10 (50% fixed)

Other information:

(a) The current selling price of the product is Rs.100 per unit.

(b) At 60% capacity level – Material cost per unit will decrease by 2% and current selling price per unit will reduce by 2%.

(c) At 90% capacity level – Material cost per unit will decrease by 6% and current selling price per unit will reduced by 6%.

Prepare the budget for 60% and 90% capacity.

Q 11:*(M.U., BAF, May 2008)* ABC manufacturing company produces 7,500 units by utilising its 75% capacity, supplies you the cost information:

Cost information at 75% capacity utilisation (for 7,500 units)

Particulars	Rs.
Direct Materials	7,50,000
Direct Labour	6,00,000
Direct Expenses	3,00,000
Factory Overheads	4,50,000
Office Overheads	3,00,000
Selling Overheads	1,50,000

Additional information:

(a) Direct Material, Direct Labour, Direct Expenses are Variable Cost.

(b) Factory Overheads per unit increased by 10%, if capacity utilisation goes down below 75% and decreases by 15% if capacity utilisation goes up above 75%.

(c) Office overheads are fixed overheads.

(d) Selling overheads per unit increase by 20%. If capacity utilisation goes down below 75% and decreases by 25% if capacity goes up above 75%.

(e) It is the policy of the company to charge profit at 20% on the selling price.

You are required to prepare a flexible budget at 50%, 75% and 100% capacity utilisation.

Q 12: ***(M.U., BAF, October 2007)*** Sai Sapna Ltd. has furnished the following information relating to cost at a capacity level of 5,000 units:

Particulars	Rs.
Material cost	25,000 (100% variable)

Labour Cost	15,000 (100% variable)
Power	1,250 (80% Variable)
Repairs and maintenance	2,000 (75% variable)
Stores	1,000 (100% variable)
Inspection	500 (20% variable)
Administration overheads	5,000 (25% variable)
Selling overheads	3,000 (20% variable)
Depreciation	10,000 (100% fixed)

Prepare the production cost budget at the level of 6,000 units and 8,000 units.

Q 13: ***(M.U., BAF, May 2007)*** Aqua manufacturing company is operating at 75% of normal capacity. It is proposed to offer a price reduction of 5% to 10% depending upon the sales volume desired. Given below is the relevant data.

Capacity	**75%**	**85%**	**100%**
Output (units)	75,000	85,000	1,00,000
Selling price per unit	Rs. 96	5% off	10% off
Materials cost per unit	Rs. 40	10% less	15% less
Wages cost per unit	Rs. 10	Rs.10	Rs, 10

Fixed production overheads Rs.14,00,000.
Fixed selling administration overheads Rs.5,00,000.
Variable production overheads Rs.14,00,000 @ 100% capacity.
Prepare a statement to show per unit and total profit/loss at above levels of output.

Q 14: ***(M.U., BAF, October 2008)*** Acer Ltd. manufactures 5,000 units of Product PT at a cost of Rs.90 per unit. Presently, the company is utilising 50% of the total capacity. The information pertaining to cost per unit of the product is as follows:

Material	Rs.50
Labour	Rs.15
Factory overheads	Rs.15 (40% fixed)
Administrative overheads	Rs.10 (50% fixed)

Other information:

(a) The current selling price of the product is Rs.100 per unit.
(b) At 60% capacity level – Material cost per unit will increase by 2% and current selling price per unit will reduce by 2%.
(c) At 80% capacity level – Material cost per unit will increase by 5% and current selling price per unit will reduce by 5%.
(d) The fixed costs increase by Rs.5,000 at 85% capacity and above.
Prepare the budget of the company at 60%, 80%, and 90% capacity level.

Q 15: ***(M.U., BAF, April 2014)*** The Expenses budget for production of 20,000 units at 100% capacity in a factory are given:

Particulars	
Material	5,00,000
Labour	4,00,000
Factory overheads (20% variable)	3,00,000
Office and Administration (30% fixed)	2,50,000
Selling and Distribution (40% variable)	1,50,000

Prepare a Flexible Budget at 70% and 90% capacity level.

Q 16: The expenses budgeted for production of 10,000 units in a factory are furnished below:

Particulars	Rs. Per Unit
Material	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs.1,00,000)	10
Variable Expenses (direct)	5
Selling Expenses (10% fixed)	13
Distribution Expenses (20% fixed)	7
Administration Expenses (Rs.50,000)	5
Total	155

Prepare a budget for production of
(a) 8,000 units. (b) 6,000 units.
Assume that administration expenses are fixed for all levels of production.

Q 17:KBC Manufacturing Company produces 7,500 units by utilising it's 75% capacity, supplies you the following information:

Cost information at 75%. Capacity utilisation (7,500 units)

Particulars	Rs.
Direct Material	7,50,000
Direct Labour	6,00,00
Direct Expenses	3,00,000
Factory Overheads	4,50,000
Office Overheads	3,00,000
Selling Overheads	1,50,000

Additional Information:
(a) Direct Materials, Direct Labour, Direct Expenses are variable cost.
(b) Factory overheads per unit increased by 10%, if capacity utilisation goes down below 75% and decreases by 10%, if capacity utilisation goes up above 75%
(c) Office overheads are fixed overheads.
(d) Selling Overheads per unit increases by 20%, if capacity utilisation goes down below 75% and decreases by 20%, if capacity utilisation goes up above 75%.
(e) It is the policy of the company to charge profit at 25% on cost.
You are required to prepare a flexible budget at 50%, 80%, and 100% capacity utilisation.

Q 18: ***(M.U., BAF, April 2015)*** A factory produces 20,000 units. The budgeted expenses are given below:

Particulars	Rs.
Direct Material Cost	75
Direct Labour Cost	20
Direct Expenses	25
Variable Production Overheads	15
Fixed Production Overheads (Rs.4,00,000)	20
Administrative Expenses (Fixed)	10
Selling Expenses (20% fixed)	15
Distribution Expenses (40% fixed)	20
Total cost on sales per unit	200

Prepare a flexible budget for production of (a) 15,000 units (b) 10,000 units.

Q 19: ***(M.U., BAF, April 2015)*** A factory is currently working at 50% capacity and produces 10,000 units. Prepare a Flexible Budget and estimate the profits of the company when it works at 60% and 80% capacity and advise the company. At 60% working Raw Material Cost increases by 5% and selling price falls by 2%. At 80% Raw Material Cost increases by 6% and selling price falls 4%. At 50% capacity working the product costs Rs.180 per unit and is sold at Rs.200 per unit.
The unit cost of Rs.180 is made up as follows:

Material	Rs.100
Labour	Rs.30
Factory Overheads	Rs.30 (40% fixed)
Administrative Overheads	Rs.20 (50% fixed)

Q 20: ***(M.U., BAF, April 2016)*** A factory is currently working at 50% capacity and produces 10,000 units. Prepare a Flexible Budget and estimate the profits of the company when it works at 60% and 80% capacity and advise the company. At 60% working Raw Material Cost increases by 2% and selling price falls by 2%. At 80% Raw Material Cost increases by 5% and selling price falls 5%. At 50% capacity working the product costs Rs.18 per unit and is sold at Rs.20 per unit.
The unit cost of Rs.18 is made up as follows:

Material	Rs.10
Labour	Rs.03
Factory Overheads	Rs.03 (40% fixed)
Administrative Overheads	Rs.02 (50% fixed)

It may be noted that the F.OHS remain constant upto 100% capacity. Increase in RM cost & decrease in Selling price are to be calculated with reference to the figure given for 50% capacity usage.

Q21: ***(M.U., BAF, Nov 2017)*** ABC manufacturing company produces 7,500 units by utilising its 75% capacity, supplies you the following cost information Cost information at 75% capacity utilization (for 7,500 units) particulars- Rs Direct materials 7,50,000 Direct Labour 6,00,000 Direct expnses 3,00,000 Factory overheads 4,50,000 office overheads 3,00,000 Selling overheads 1,50,000
Additional Information's: a) Direct materials, Direct Labour, Direct expenses are variable Cost
b) Factory overheads per unit increases by 10%, if capacity utilization goes below the 75% and decreases by 10% if capacity utilization goes up above the 75%.
c) Office overheads are fixed overheads
d) Selling overheads per unit increase by 10%, if capacity utilization goes down below the 75% and decrease by 20% if capacity utilization goes up above the 75%
e) It is the policy of the company to charge profit at 25% on selling price
You are required to prepare a flexible budget at 50%, 75% and 100% capacity utilization.

TYPE B: PURCHASE BUDGET

Q 22: Solo products manufactures single product and has sales of Rs.126 lacs. Profit is 20%.
Materials required are A=3lbs of Rs.6 per lb and B=1.5lbs of Rs.4 per lb.
Labour charges are: Machine Shop = Rs.4 per hour
Assembly Shop = Rs.3.20 per hour

Number of Employees: Machine Shop = 600
Assembly Shop = 180

Details of Materials, Finished Goods:

	Finished Goods	Material A	Material B

Opening Stock	20,000 units	54,000 lbs	33,000 lbs
Closing Stock	25,000 units	30,000 lbs	66,000 lbs

Processing time: Machine Sop = 7 hours
(per unit of output) Assembly Shop = 2½ hours.

Factory works for 5 days of 8 hours in a week in a normal 52 weeks year.

Expected holidays = 96 hours
Expected leave = 80 hours } in a year
Expected Absenteeism = 64 hours

Calculate:
(1) Number of units to be sold
(2) Purchase budget
(3) Capacity utilisation of machine and assembly shops.

Q 23: A Company manufactures Product A & B. During the year ending Dec 2006, it is expected to sell 15000 kgs of product A & 75000 kgs of Product B at Rs 15 & Rs 8 per kg Respectively. The direct materials P,Q, R are mixed in the proportion of 3:5:2 in the manufacture of product A. Material Q & R are mixed in the proportion of 1:2 in the manufacture of product B. The actual & budgeted inventories for the year are given below:

Particulars		Opening stock kgs	Expected closing stock kgs	Anticipated cost per kg. Rs.
Material	P	4500	3000	6
	Q	3000	6000	5
	R	30000	9000	4
Product	A	3000	1500	-
	B	4000	5500	-

Prepare production budget & RM purchase budget for the year ended 31/12/2006.

TYPE C: PRODUCTION BUDGET

Q24:*(M.U., BAF, October 2006)*

Fun Toys Ltd. manufactures a toy monkey with moving parts and a built-in voice box. Projected Sales for 5 months are as follows:

Month	Projected Sales in Units
July, 2004	4,200
August, 2004	4,500
September, 2004	4,800
October, 2004	4,600
November, 2004	4,700

Each toy requires direct material from a supplier at Rs.35 for moving parts. Voice boxes are purchased from another supplier at Rs.10 per box. Labour cost is Rs.20 per toy and variable overhead cost is Rs.5 per toy. Fixed manufacturing overhead applicable to production is Rs.45,000 per month. It is the practice of the company to manufacture an output in a month which is equivalent to 1.2 times the of the following month's sales. Prepare the production budget and the production cost budget for July 2004 to October 2004.

Q25: The following are the estimated sales of a company for eight months ending 30th November, 2011:

Month	Estimated Sales in Units
April, 2011	24,000

May, 2011	26,000
June, 2011	18,000
July, 2011	16,000
August, 2011	20,000
September, 2011	24,000
October, 2011	28,000
November, 2011	24,000

As a matter of policy, the company maintains the closing balance of finished goods and raw materials as follows:

Stock Item	Closing Balance of a Month
Finished Goods (Units)	40% of the estimated sales for the next month
Raw Materials (kg)	50% of the estimated consumption for the next month

Every unit of production requires 4kg of raw materials costing Rs.4 per kg. Prepare production budget (in units) and Raw Materials Purchase Budget (in kg and cost) of the company for half year ended 30th September, 2011.

Q26.*(M.U., BAF, April 2016)* *ABC FOODS products LTD. Has prepared the following Sales budget for the first five Months of 2016*

Sales budget in Units

Jan	**10800**
Feb	**15600**
Mar	**12200**
April	**10400**
May	**9800**

The inventory of F.G at the end of every month is to be equal to 25% of the sales estimate for the next month. On 1/01/2016, there were 2700 units of product in hand. There is no WIP at the end of any month.
Every unit of product requires two types of materials in the following Quantities:
Material A: 4 kg Material B: 5 kg
Material equal to one-half of the next month's production are to be in hand at the end of every month. This requirement was met on 01/01/2016.
Budgeted prices for the purchase of materials are:
Material A: Rs 3 p/kg Material B: Rs 2p/kg
Prepare Material Consumption budget & Purchase budget (Quantity & Value) for the first Quarter of 2016 showing the quantities of each type of material to be purchased every month.

SALES BUDGET SUMS

Q.1. From the following information provided by a trader prepare his sales budget for the second quarter of 2014.

SALES	PRODUCT P(units)	PRODUCT Q(units)
April 2013	30,000	35,000
May 2013	40,000	25,000
June 2013	35,000	30,000

As per the sales forecast the sales quantity of P is expected to increase by 20% & that of Q is expected to decrease by 10% in 2014.

Selling price of P & Q in 2013 was Rs. 15 & Rs. 18 respectively. In 2014 the prices were to be increased for both products P & Q by Rs.2.
(M.U. April 2014)

Q.2**.** From the following details of STAR ltd prepare sales budget for the first quarter of the next year. **(Oct 2013)** YEAR 2011 (CURRENT YEAR)

PRODUCT	JAN	FEB	MAR
P	1000 units	900 units	1100 units
Z	500 units	750 units	900 units

Selling price of P is Rs.8 per unit & Z is Rs.10 per unit.

Information for the next year:

(a) Sales quantity of P increases by 15% while that of Z decreases by 10%.
(b) Sales price of P increases by 10% & Z by 20%.

Q.3. A sales budget of NIRMAN ltd with following data of third quarter of 2012 **(M.U. April 2013)**

PRODUCT	JUL	AUG	SEP
A	1000 units	1500 units	2000units
B	800 units	1200 units	1600 units

Selling price of A is Rs.10 per unit & B is Rs.2 per unit. Prepare a sales budget for the last quarter of 2012 after considering the following:

Particulars	A	B
Sales quantity increases	10%	20%
Sales price decreases	10%	10%

Q.4. From the following details of ALPHA LTD prepare sales budget for the first three months of next year. **(M.U. Oct 2012)**

GIVEN: Data for the Current Year

Particulars	A	B	C

Jan	40,000	30,000	36,000
Feb	50,000	60,000	44,000
Mar	42,000	70,000	64,000
Selling price per unit	Rs.20	Rs.30	Rs.25

Expected increase in sales quantity of product A & C will be 10% in each case.Expected decrease in sales quantity of product B will be 20%. Expected rise in selling price per unit for all products will be 20%.

Q.5.Prepare an Area wise & Product wise sales budget for the following data: **(M.U. April 2012)**

Product	**Jan**	**Feb**
X	1500 units	1800 units
Y	2400 units	3000 units

The sales area A & B account for 75% & 25%. Sale of X is 20% & Y is 80%. The selling price of X is Rs.8 per unit & Y is Rs.14 per unit.

Q.6. A marketing unit submits the following figures for the first quarter of 2009 **(M.U. April 2011)**

Month	**Product X**	**Product Y**	**Product Z**
Jan	1250 units	1500 units	500 units
Feb	1000 units	1250 units	500 units
Mar	1500 units	1750 units	500 units

Selling price per unit of X Rs.10, Y Rs.20 & Z Rs.30. Prepare a sales budget for the first quarter of 2010 considering the following:

Particulars	**X**	**Y**	**Z**
Sales quantity increase	20%	10%	10%
Sales price decrease	Nil	10%	25%

Q.7. Given the following data for the first quarter of 2010 of BCD LTD **(M.U. April 2010)**

Product	**Jan**	**Feb**	**Mar**
Topaz	2000 units	1800 units	2200 units
Super max	1000 units	1500 units	1800 units

Selling price of Topaz is Rs.6 per unit & Super max is Rs.10 per unit.

Prepare a sales budget for the company for the second quarter of 2010, assuming:

(a) Sales quantity of topaz increases by 10% & super max decreases by 5%.
(b) Sale price of topaz remains unchanged & that of super max increase by 10%.

Q.8. From the following details of QUEEN LTD prepare sales budget for the first three months of next year. **(M.U. Oct 2010)**

GIVEN: Data for the Current Year

Particulars	**A**	**B**	**C**
Jan	2000	1500	1800
Feb	2500	3000	2200
Mar	2100	3500	3200
Selling price per unit	Rs.10	Rs.15	Rs.12

Expected increase in sales quantity of product A & C will be 10% in each case. Expected decrease in sales quantity of product B will be 20%. Expected rise in selling price per unit for all products will be 20%.

Q.9. From the following details of ALPHA LTD prepare sales budget for the first three months of next year. **(M.U. Oct 2010)**

GIVEN: Data for the Current Year

Particulars	**A**	**B**	**C**
Jan	20000	15000	18000
Feb	25000	30000	22000
Mar	21000	35000	32000
Selling price per unit	Rs.10	Rs.15	Rs.12

Expected increase in sales quantity of product A & C will be 10% in each case. Expected decrease in sales quantity of product B will be 20%. Expected rise in selling price per unit for all products will be 20%.

Q.10. Following details are furnished by "A" LTD. **(M.U. April 2009)**

Product	**Oct**	**Nov**	**Dec**
P	200 u @ Rs.50	900 u @ Rs.52	700 u @ Rs.55
Q	600 u @ Rs.72	500 u @ Rs.70	900 u @ Rs.68

Based on the product managers review it was revealed that the price of P to be retained the same & that of Q to be increased by Rs.2 per unit in all months.

This would result in change in the sales units as indicated below in the following year:

Product	**Oct**	**Nov**	**Dec**
P	+ 30%	-5%	+ 20%
Q	No change	+10%	+ 25%

Prepare sales budget from the above details.

Q.11. Given the following data for the second quarter of 2006. **(M.U. Oct 2008)**

Product	**Product A**	**Product B**
April	25000 units	25000units
May	25000units	20000 units
June	35000 units	30000 units

Selling price of A is Rs.20 per unit & B is Rs.15 per unit.

Prepare a sales budget for the company for the second quarter of 2007, assuming:

(a) Sales quantity of A increases by 20% & B by 10%.
(b) Sale price of A increased by Rs.5 & that of B reduced by Rs.5.

Q.12. Given the following data for the first quarter of 2007. **(M.U. April 2008)**

Product	**A (units)**	**B (units)**
Jan	20000	25000
Feb	10000	15000
Mar	30000	35000

Selling price for the quarter was Rs.10 per product A & Rs.20 per product B

Prepare a sales budget for the company for the first quarter of 2008, assuming:

(a) Sales quantity of A increases by 10% & B by 20%.
(b) Sale price of A increases by 10% & B decreases by 20%.

Q.13. Given the following data for the first quarter of 2007. **(M.U. Oct 2007)**

Product	Jan	Feb	Mar
X	2000 units	1800 units	2200 units
Y	1000 units	1500 units	1800 units

Selling price of X is Rs.5 per unit & Y is Rs.2 per unit.

Prepare a sales budget for the company for the second quarter of 2007, assuming:

(a) Sales quantity of X increases by 10% & Y decreases by 10%.
(b) Sale price of X remains unchanged & Y increase by 50%.

Q.14.A manufacturer operates 3 sales divisions X, Y, Z which sells 3 branded products A,B & C. (**April 2007)**

The budget committee needs a sales budget for the next year from the following information:

Budgeted sales units for the current year:

Product	X	Y	Z
A	8000	12000	12000
B	6000	16000	8000
C	4000	24000	10000

Actual sales units for the current year based on actual sales to the date & estimated sales for the balance of the year are:

Product	X	Y	Z
A	10000	16000	14000
B	4000	20000	10000
C	2000	20000	8000

The selling price per unit of A,B & C are Rs.5, Rs.10 & Rs.20 respectively applicable for all the divisions.

The discussions with the divisional sales managers have product "A" is oversold & if the price is increased by 10%, even then it finds a ready market, product "C" is overpriced & the price of it can be reduced by 5%. By incorporating these changes, the sales will be as follows:

Product	X	Y	Z
A	+30%	+40%	+20%
B	-10%	+30%	-10%
C	+10%	+20%	+10%

You are required to prepare sales budget for the next year.

Q.15. A marketing unit submits the following figures for the first quarter of 2004 **(M.U. Oct 2006)**

Month	Product X	Product Y	Product Z
Jan	2500 units	3000 units	1000 units
Feb	2000 units	2500 units	1000units
Mar	3000 units	3500 units	1000units

Selling price per unit of X Rs.10, Y Rs.20 & Z Rs.40. Prepare a sales budget for the first quarter of 2005 considering the following:

Particulars	X	Y	Z
Sales quantity increase	20%	10%	10%

Sales price increase	Nil	10%	25%

Q.16. Prepare an area wise & the product wise sales budget for the following data: **(M.U. April 2006)**

Product	Jan (units)	Feb (units)	Mar (units)
X	500	800	200
Y	1000	1100	1500

The sales areas A, B & C account for 20%, 30% & 50% of product X & 30% & 70% of product Y respectively. There is no sale of Y in area C. The selling price of X is Rs.5 per unit & Y is Rs.10 per unit.

Q.17. A manufacturer who operates 2 sales divisions NORTH & SOUTH which sells 2 branded products P & Q.

The budget committee needs a sales budget for the next year from the following information: **(Oct 2005)**

Budgeted sales units for the current year:

Product	NORTH	SOUTH
P	2000 @ RS.9	3000 @ Rs.9
Q	1500 @ Rs.21	1500 @ Rs.21

Actual sales units for the current year based on actual sales to the date & estimated sales for the balance of the year are:

Product	NORTH	SOUTH
P	2500 @ RS.9	3500 @ Rs.9
Q	1000 @ Rs.21	2500 @ Rs.21

Studies reveal that Product P is popular but under priced. If the price of P is increased by Re.1, it will still find a good market. It was found that Q was overpriced and its price is to be reduced by Re.1. To promote sales, the management has decided to implement these price changes.

With the above price changes the following estimates have been prepared by the salesman.

Product	NORTH	SOUTH
P	+10%	+5%
Q	+20%	+10%

Q.18. Prepare an area wise & the product wise sales budget for the following data: **(M.U. Oct 2004)**

Product	Jan (units)	Feb (units)
X	400	600
Y	1200	1800

The sales areas A & B account for 60% & 40% sale of product X & 30% & 70% sale of product Y. The selling price of X is Rs.8 per unit & Y is Rs.10 per unit.

Q.19. From the following data prepare a SALES BUDGET for the year 2003-2004 **(M.U. April 2004)**

There are two product groups A & B with p, q & r products in group A & x & y in group B. The market is divided into 4 areas: EAST, WEST, and NORTH & SOUTH. Budgeted prices of p, q, r are Rs.4, Rs.5, Rs.6 respectively. In the south area prices are 10% higher because of extra cost of distribution. Products x & y are priced Rs.10 & RS.12 respectively & these are not sold in south area. Expected sales of x & y are 10000 & 15000units respectively. The area wise break-up of sales x & y is:

Product	NORTH	WEST	EAST
X	50%	30%	20%

Y	40%	30%	30%

Sales of p, q & r are expected to be:

P: NORTH 3000; EAST 5000; SOUTH 2000.

Q: EAST 5000; WEST 4000; SOUTH 3000.

R: WEST 4000; NORTH 6000.

Q.20. Maya limited has made the following sales estimates for January February and march of the year 2017 from which you are required to prepare sales budget by units and rupees for each of the three months for each sales area in units and value . sales Area(A,B,C) Month: January February March Area: A 50% 30% 20% B 35% 35% 30% C 10% 25% 65% D 30% 40% 30% .

The area-wise sales are expected as follows: Sales Area Sales (Units) A 3,500 B 2,000 C 3,000 D 4,000 Total 12,500 .The selling price has been fixed at Rs. 8 per units in area A, Rs. 10 per units in area B, Rs. 11 per units in area D, and Rs. 12 per units in area C. (***M.U., BAF, Nov 2017)***