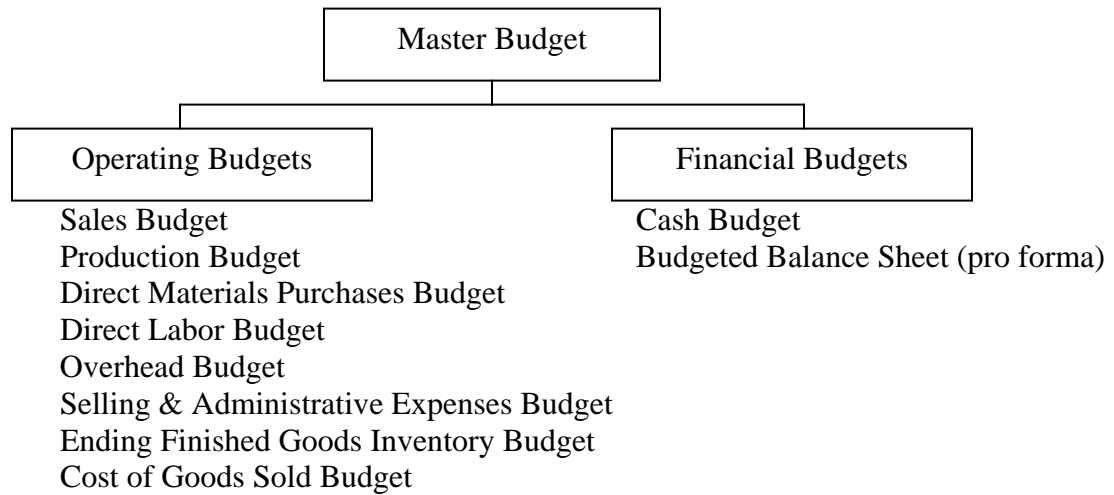


# BUDGETS



## OPERATING BUDGETS:

### Sales Budget

Expected Sales in Units  
 \* Selling Price per Unit  
Total Sales in Dollars

### Production Budget

Expected Sales in Units  
 + Desired Ending Inventory in Units  
 Total Units Needed  
 – Beginning Inventory (units on hand)  
Units to be Produced

### Direct Materials Purchases Budget

Units to be Produced  
 \* Materials per Unit  
 Quantity of Direct Materials Needed for Production  
 + Desired Ending Inventory of Direct Materials  
 Total Quantity of Direct Materials Needed  
 – Beginning Inventory of Direct Materials  
Quantity of Direct Materials to be Purchased

### Direct Labor Budget

Units to be Produced  
 \* Labor Hours Needed per Unit  
 Total Labor Hours Needed  
 \* Labor Rate per Hour  
Total Direct Labor Cost

### Overhead Budget

Total Labor Hours Needed  
 \* Variable Manufacturing OH Rate  
 Budgeted Variable Overhead  
 + Budgeted Fixed Overhead  
Total Manufacturing Overhead

### Selling & Admin. Expenses Budget

Expected Sales in Units  
 \* Variable Selling & Admin. Rate  
 Budgeted Variable S&A Expense  
 + Budgeted Fixed S&A Expense  
Total Selling & Admin. Expenses

### Ending Finished Goods Budget

+ Direct Materials  
 + Direct Labor  
 + Variable Overhead  
 + Fixed Overhead  
 Total Unit Cost  
 \* Ending Finished Goods Inventory  
Total Cost of Finished Goods Inv.

### Cost of Goods Sold Budget

Direct Materials Used  
 + Direct Labor Used  
 + Manufacturing Overhead  
 Budgeted Manufacturing Cost  
 + Beginning Finished Goods  
 Goods Available for Sale  
 – Ending Finished Goods  
Budgeted Cost of Goods Sold

**FINANCIAL BUDGETS:**

**Cash Budget**

Cash Balance, beginning  
+ Total Cash Receipts  
Total Cash Available  
- Total Cash Disbursements  
Cash Balance, ending

**Budgeted Balance Sheet**

Assets:

Cash  
+ Accounts Receivable  
+ Direct Materials Inventory  
+ Finished Goods Inventory  
+ Property, Plant, & Equipment  
Total Assets

Liabilities:

Accounts Payable  
+ Note Payable  
Total Liabilities

Equity:

Capital Stock  
+ Retained Earnings  
Total Equity

**\* Total Assets must equal  
Total Liabilities and  
Equity \***

