



# SNS College of Technology

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INSTITUTIONS

Coimbatore - 35

23BAT605 – FINANCIAL STATEMENT ANALYSIS

Unit V – BUDGETING

Topic: Guess?????



Presented by

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**1<sup>st</sup> Indian Institution to Implement Design Thinking Curriculum**  
**Redesigning Common Mind and Business Towards Excellence**



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Topic....





# PROBLEM:1

<b>Variable overheads:</b>	At 60% capacity (Rs)
Indirect Material	6,000
Labour	18,000
<b>Semi-variable overheads:</b>	
Electricity: (40% Fixed & 60% variable)	30,000
<b>Repairs: (80% fixed &amp; 20% Variable)</b>	3,000
<b>Fixed overheads:</b>	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000



# SOLUTION:

Items	Capacity	
	50%	60%
<b>Variable overheads:</b>	<b>Rs.</b>	<b>Rs.</b>
Material	5,000	6,000
Labour	15,000	18,000
<b>Semi-variable</b>		
Electricity	27,000	30,000
Repairs	2,900	3,000
<b>Fixed overheads:</b>		
Depreciation	16,500	16,500
Insurance	4500	4500
Salaries	15,000	15,000
<b>Total Overheads</b>	<b>85,900</b>	<b>93,000</b>
Estimated direct labour hours	1,55,000	1,86,000
Overhead Rate	0.55	0.5



# Time for the assessment...



Spell out the Procedure for preparing flexible budget





# Summary

## **FLEXIBLE BUDGET PROBLEM**







# References...

- <https://bansi203.files.wordpress.com/2016/07/practicals-budgetory-control.pdf>





Thank  
you





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