Assignment 2

The sales budget and the production budget are key aspects of the plans for the next period. As per your lecturer, you can now start working on Assignment 2.

1. The budgeted financial statements can be printed in the following form:

   - Sales Forecast
   - Budgeted Income Statement
   - Budgeted Balance Sheet
   - Budgeted Cash Flow Statement

2. The following information is available in the form of the financial statements for the next period:
   - Sales budget: $1,200,000
   - Production budget: $1,100,000
   - Cost of goods sold: $700,000
   - Gross profit: $500,000
   - Operating expenses: $300,000
   - Net income: $200,000

3. The following data is available in the form of the financial statements for the current period:
   - Sales: $1,000,000
   - Cost of goods sold: $600,000
   - Gross profit: $400,000
   - Operating expenses: $200,000
   - Net income: $200,000

4. The breakeven chart for ABC Ltd. as at 31st December 2018 is shown below:

5. The method of preparing a profit and loss account includes:
   - Percentage of sales method
   - Absorption costing method
   - Variable costing method
   - None of the above

6. The following information is available in the form of the financial statements for the current period:
   - Sales: $1,000,000
   - Cost of goods sold: $600,000
   - Gross profit: $400,000
   - Operating expenses: $200,000
   - Net income: $200,000

7. The method of preparing a profit and loss account includes:
   - Percentage of sales method
   - Absorption costing method
   - Variable costing method
   - None of the above

8. The method of preparing a profit and loss account includes:
   - Percentage of sales method
   - Absorption costing method
   - Variable costing method
   - None of the above

9. The following information is available in the form of the financial statements for the current period:
   - Sales: $1,000,000
   - Cost of goods sold: $600,000
   - Gross profit: $400,000
   - Operating expenses: $200,000
   - Net income: $200,000

10. The method of preparing a profit and loss account includes:
    - Percentage of sales method
    - Absorption costing method
    - Variable costing method
    - None of the above

11. The following information is available in the form of the financial statements for the current period:
    - Sales: $1,000,000
    - Cost of goods sold: $600,000
    - Gross profit: $400,000
    - Operating expenses: $200,000
    - Net income: $200,000

12. The method of preparing a profit and loss account includes:
    - Percentage of sales method
    - Absorption costing method
    - Variable costing method
    - None of the above

The present level of sales for the year is $1,000,000. If sales are analysed to be increased by 50% for the following year, profit margins are to be increased by 50% and dividend paid out is 50%. What would be the internal funds requirement of the firm?