4) ENDING STOCK

There are 500 finished products at 1330€ in the inventories: 665 K€. Adding to it the production:

665 K€ + 4200 K€ = 4865 K€

that is to say $\frac{4865\ K€}{3000+500} = 1,39\ K€\ (1390€)$ per unit

In the ending stock that we want to decrease by 100 we only have 500 - 100 = 400 units.

The budget of this ending stock is 400 x 1,39 = 556 K€

5) ESTIMATED INCOME STATEMENT N+1

see the polycopié

6) TREASURY BUDGET PER QUARTER

see the polycopié

7) ~~EQUITY CAPITAL INCREASE~~

~~considering at table 9 estimated balance sheet we don't need an increase in capital equity as the liabilities already represent 2615 K€ whereas the assets are at 2454 K€ : that is to say a difference of 164 K€ in the balance~~

8) ALLOCATIONS - RESOURCES TABLE

9) ESTIMATED BALANCE SHEET

see the polycopié

~~10) FINANCIAL VISION~~

~~Given the estimated balance sheet, we can see that we could actually decrease the equity capital by 164 K€: from 300 K€ to 136 K€.~~

~~To equilibrate the balance we could also plan on selling more products to increase the assets.~~

7) EQUITY CAPITAL INCREASE

considering table 9 - estimated balance sheet, there is a difference of 2851 K€ - 2615 K€ = 236 K€ between the assets and the liabilities, so we could increase equity capital by 236 K€ : from 300 K€ to 536 K€.

10) FINANCIAL VISION

To equilibriate the balance we need to increase equity capital at 536 K€, adding 236 K€.

Net profit is 97K€ and is good.

Final cash on the other hand is negative (- 1089 K€), and doesn't balance the profit. We should find a way to cover it, for example by increasing receivables (which happens, going from 850K€ to 1395 K€).

ECE PARIS
ÉCOLE D'INGÉNIEURS

DEVOIR SURVEILLÉ

CADRE À COMPLETER PAR L'ÉLÈVE

NOM/Prénom : LEMERCIER Léa

PROMOTION : 2020 GROUPE : ENE INTER DATE : 26/10/2018

INTITULÉ DE L'ÉPREUVE : Budget management

FEUILLE N° : 1 / 1

NOTE OBTENUE

15/20

REMARQUES

Marge réservée au professeur correcteur

1) SALES BUDGET :

3100 units at a fixed price 1800€ so:

3100 x 1800 = 5580 000€ = 5580 K€

2) PRODUCTION PROGRAM :

the top management wants the stock of finished goods decreased by 100 and we want to sell 3100 units so:

3100 - 100 = 3000 units to produce

3) PRODUCTION BUDGET :

Raw material for one unit is 800€ so for the lot:
3000 x 800 = 2400 K€

Direct labour for one unit is 500€ so for the lot:
3000 x 500 = 1500 K€

We don't forget the depreciation in the production budget which is 300 K€, in total :

2400 + 1500 + 300 = 4200 K€

that is to say $\frac{4200\ K€}{3000} = 1,4\ K€ = 1400\ €$ per unit.