

# **INSTITUTE OF FINANCE MANAGEMENT [IFM]**

## **FACULTY OF BUSINESS AND ECONOMICS**

### **ACU 08212 PROJECT MANAGEMNT: GROUP ASSIGNMENT:**

#### **BAC AND BAIT III 2023/2024**

#### **INSTRUCTIONS**

- 1. This assignment should be done by group of 10 students.**
- 2. The assignment contains 20 Marks of total coursework**
- 3. Please submit typed document**

#### **QUESTIONS**

##### **Assignment 1 (14 Marks)**

Upanga Ltd manufactures high-quality pool cues. It has three main products, XA, XB, and XC. In the second quarter of 2024, its budgeted information included:

<b>Sales (units)</b>	<b>XA</b>	<b>XB</b>	<b>XC</b>
April	1,200	950	1,300
May	1,350	1,150	1,230
June	1,350	1,150	1,300

##### **Stock (units, finished goods)**

Opening	1,300	1,150	1,250
Closing	1,500	1,300	1,350
Sales Prices	Shs75	Shs 63	Shs 65

##### **Labour**

Standard hours/unit	5.00	4.50	4.50
Rate per hour	Shs 6.50		

##### **Materials (the material is common to all products)**

Material units per cue	1.50	1.25	1.30
Cost per unit of material	Shs13		
Stock (units of material)			
Opening	5,000		

Closing	5,100
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**Production Overheads**

Variable	Shs78,300
Fixed	Shs52,400
Administration, selling and distribution	Shs50,000

**REQUIRED**

**Using the spreadsheet (Excel) by applying various Excel formulas prepare the following Functional Budgets**

- a) Sales Budget
- b) Production Budget (units)
- c) Material Usage and Cost Budget
- d) 4 Material Purchases Budget
- e) Labour Budget
- f) Production Overhead Budget
- g) Budgeted Stock Valuations
- h) Finished Goods Valuation
- i) Budgeted Operating Statement

**Assignment 2 (6 Marks)**

- (a) What is cash budget?
- (b) One of the first that have been assigned to you as a new employee of Mwananchi Construction Company is to prepare a cash budget for the period from 1st June 2007 to 30<sup>th</sup> November 2007
  - (i) 90% of all sales are credit sales: 80% of the credit sales are collected in the following month, 15% and 4% of credit sales are collected 60 days and 90 days after sale respectively, 1% of the credit sales become bad debts and are never collected.
  - (ii) Purchase during the month equal to 60% of the following month's estimated sales. Payment for purchases is made in the month following purchase.
  - (iii) The cash balance as at 1<sup>st</sup> June 2007 is shs. 1,420,000
  - (iv) The firm anticipates a delivery of new equipment in September 2007 shs 1,000,000 will be paid upon the delivery

- (v) Depreciation expenses averages shs. 150,000 monthly
- (vi) Labour costs paid monthly average 10% of the following month's sales
- (vii) Rent is shs 100,000 per month. Other cash expenses average 3% of the current month's sales
- (i) A quarterly tax payment of shs 500,000 is anticipated in September and December 2007
- (ii) The Board of Directors desires to maintain the firm's current dividend policy. A dividend payment of shs. 3,000,000 is scheduled for October 2007
- (iii) The company experience sales of shs 3,000,000 in March 2007 and sales of shs 2,000,000 during each of the next two months of 2007.
- (iv) The projected sales schedule for the seven month of 2007 are given below

Sales projections for June – December of 2007

June	Shs 3,000,000
July	Shs 5,000,000
August	Shs 5,000,000
September	Shs 6,000,000
October	Shs 3,000,000
November	Shs 2,000,000
December	Shs 2,000,000

## REQUIRED

Use the above data to prepare a cash budget (Use the Spreadsheet -Excel formulas)

**Please observe the following:**

1. **Submit the assignment by 29<sup>th</sup> May,2024**
2. References of sited documents should not be omitted
3. Font – New times Roman 12, A4, 1.5 Spacing

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