

### Numerical of Flexible budget-

Ex: Draw up a flexible budget for production at 75% and 100% capacity on the basis of following data for 50% activity. (Note: cost should be segregated into - FC, VC & SVC)

VC	Materials	Rs. 100 per unit	{	Admin Expense (50% fixed)	- Rs. 20,000	SVC
	Labor	Rs. 60 per unit		Selling & Distribution Exp. (60% fixed)	- Rs. 1,00,000	
	Direct Expense	Rs. 20 per unit		fixed Expense: Depreciation	- Rs. 10,000	
				Insurance	- Rs. 5,000	

Present production (50% activity) 1000 units

FLEXIBLE BUDGET

Fixed Cost remain constant in Total
- Per unit vary
Variable cost per unit remain constant
- Total vary.

Soln