

**Sales Budget**

Sales  
 x Expected Price

**Budgeted Sales****Product 1**

x  
 x €x

€x

**Product 2**

x  
 x €x

€x

**Production Budget (Units)**

Sales  
 + Closing Stock (F.G)  
 - Opening Stock (F.G)

**Budgeted Production****Product 1**

x  
 + x  
 - x

x ❶

**Product 2**

x  
 + x  
 - x

x ❶

**Raw Materials Purchases Budget**

Product 1 (Figure 1 x Mat. 1 Usage)  
 (Figure 1 x Mat. 2 Usage)  
 Product 2 (Figure 1 x Mat. 1 Usage)  
 (Figure 1 x Mat. 2 Usage)

**= Raw Materials Usage**

+ Closing Stock (R.M)  
 - Opening Stock (R.M)

**= Raw Materials Purchases**

x Expected Price

**Budgeted Raw Materials Purchases****Material 1**

x

x

x

+ x

- x

x

x €x

€x

**Material 2**

x

x

x

+ x

- x

x

x €x

€x

**Direct Labour Budget**

Production (Figure 1)  
 x Labour Hours Per Unit

**= Direct Labour Hours**

x Labour Rate

**Budgeted Direct Labour****Product 1**

x

x x

x

x €x

€x

**Product 2**

x

x x

x

x €x

€x

**Variable Overhead Budget**

Labour Hours / Production  
 x Overheads Per Unit

**Budgeted Variable Overheads****Product 1**

x

x €x

x

**Product 2**

x

x €x

x

**Production / Manufacturing Budget**

	<b><u>€</u></b>	<b><u>€</u></b>
Opening Stock of Raw Materials		
Mat.1 (..x..)	x	
Mat.2 (..x..)	+x	x
+ Purchases of Raw Materials		
Mat.1	x	
Mat.2	+x	+x
- Closing Stock of Raw Materials		
Mat.1 (..x..)	x	
Mat.2 (..x..)	+x	-x
= <b>Cost of Raw Materials Consumed</b>		x
+ Direct Labour Costs		
Prod.1	x	
Prod.2	+x	+x
= <b>Prime Costs</b>		x
+ Indirect Costs		
• Variable Overheads		
Prod.1	x	
Prod.2	+x	
• Fixed Overheads	+x	+x
= <b>Cost of Production</b>		x

**Trading Account Budget (F.G)**

	<b><u>€</u></b>	<b><u>€</u></b>
Sales ( Product 1 + Product 2)	x	x
<b><u>Less Cost Of Sales</u></b>		
(O) Opening Stock		
Mat.1	x	
Mat.2	x	
(P) + Production	x	
(E) + Expenses	+x	
	x	
(C) - Closing Stock	-	
Mat.1	x	
Mat.2	x	-x
= <b>Gross Profit</b>		x

**Closing Stock of Finished Goods****Product 1. €****Product 2. €**

Material 1	(x kg x €x)	x	(x kg x €x)	x
Material 2	(x kg x €x)	x	(x kg x €x)	x
Direct Labour	(x hrs x €x)	x	(x hrs x €x)	x
Variable Overheads	(x hrs x €x)	x	(x hrs x €x)	x
Fixed Overheads	-----	+ x	-----	+ x
<b>=Closing Stock</b>		<u>x</u>		<u>x</u>