

Cheese sandwich from lecture 21st October 2010

Unit data	Q	£	£
Cheese	1 e	10p	= 0.10
Bread	2 e	5p	= 0.10
Butter	5 e	3p	= 0.15
Tomato	0.5 e	20p	= 0.10
			<u>0.45</u>

Sales price £1.00

Budget for 150 sandwiches

Cheese	150 e	10p	=	£15.00
Bread	300 e	5p	=	£15.00
Butter	750 e	3p	=	£22.50
Tomato	75 e	20p	=	£15.00
				<u>67.50</u>
Sales	150 e	£1.00		150.00
				<u>82.50</u> profit

Actual for 150 sandwiches

Cheese	5 e	£20.00	=	100	Sales 150 x £2.50 = 375.00
Bread	300 e	50p	=	150	
Butter	400 e	2p	=	8	
Tomato	450 e	40p	=	180	
				<u>438.00</u>	Loss = £63.00

Variance to be explained = budget - actual
 $82.50 - 63.00 = \underline{\underline{£145.50}}$

We need to do Q + £ variances for each budget line and put them in a schedule of variances.

Sales variances

B @ B	150 @ 1 = 150
A @ B	150 @ 1 = <u>150</u> 0
A @ B	150 @ 1 = 150
A @ A	150 @ 2.50 = <u>375</u>
	225 Fav.

Schedule

Cheese

150 @ 0.10 = 15	15.00
5 @ 2.10 = 10.50	<u>50 P</u>
	14.50 Fav

5 @ 0.10 =	50 P	= 85A
5 @ 20.00 =	<u>100</u>	
	99.50 Adv	

Bread

300 @ 0.05 = 15	15.00
300 @ 0.05 = 15	<u>15.00</u>
	0

300 @ 0.05 =	15.00
300 @ 0.50 =	<u>150.00</u>
	135.00 Adv

Butter

750 @ 0.03 =	22.50
400 @ 0.03 =	<u>12.00</u>
	10.50 Fav

400 @ 0.03 =	12.00
400 @ 0.02 =	<u>8.00</u>
	4.00 Fav

Tomato

75 @ 20p =	15.00
450 @ 20p =	<u>90.00</u>
	75.00A

450 @ 20p =	90.00
450 @ 40p =	<u>180.00</u>
	90A

Schedule of variances

	Fav	Adv
Sales Q	-	-
Sales #	225	
Cheese Q	14.50	
Cheese #		99.50
Bread Q	-	-
Bread #		135.00
Butter Q	10.50	
Butter #	4.00	
Tomato Q		75.00
Tomato #		<u>90.00</u>
	<u>254.00</u>	<u>399.50</u>

net all to \$145.50A