Employees are planning next year’s budget for the Accounts Payable

Department. A study was done of how the work could be improved and

Costs reduced. The conclusion was that the office should operate with a

Supervisor and only two clerks, rather than the four clerks employed in

the department last year. State-of-the-art equipment was purchased to

Help two clerks do the work formerly done by four clerks.

Last Year’s Expenses Proposed Budget

Salaries $133,000 $96,000

Supplies 4,000 3,800

Repairs and Maintenance 5,000 2,500

Depreciation 3,000 6,000

Telephone 3,500 3,900

1. Calculate the total expenses for the department using last year’s figures.

2. Using last year’s figures, calculate the percentage of total expenses each of the expenses items represents. Round percentages to one decimal Place.

3. using last year’s figures, calculate the cost per invoice processed if 144,500 invoices were handled during the year.

4. Determine the difference in total expenses between last year’s figures and the proposed budget.

5. Calculate the percentage decrease in total expenses if the proposed Budget is used.