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| On January 1, 2009 the Batista Company budget committee has reached agreement on the following data for the 6 months ending June 30, 2009.   |  |  | | --- | --- | | Sales units: | First quarter 5,300; second quarter 6,300; third quarter 7,500 | | Ending raw materials inventory: | 50% of the next quarter's production requirements | | Ending finished goods inventory: | 30% of the next quarter's expected sales units | | Third-quarter production: | 7,800 units |   The ending raw materials and finished goods inventories at December 31, 2008, follow the same percentage relationships to production and sales that occur in 2009. 5 pounds of raw materials are required to make each unit of finished goods. Raw materials purchased are expected to cost $4 per pound. | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Prepare a production budget by quarters for the 6-month period ended June 30, 2009.   |  |  |  |  | | --- | --- | --- | --- | | **BATISTA COMPANY** | | | | | **Production Budget** | | | | | **For the Six Months Ending June 30, 2009** | | | | |  | **Quarter** | | **Six** | |  | **1** | **2** | **Months** | |  |  |  |  | | Add: |  |  |  | | Total required units |  |  |  | | Less: |  |  |  | | Required production units |  |  |  | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Prepare a direct materials budget by quarters for the 6-month period ended June 30, 2009.   |  |  |  |  | | --- | --- | --- | --- | | **BATISTA COMPANY** | | | | | **Direct Materials Budget** | | | | | **For the Six Months Ending June 30, 2009** | | | | |  | **Quarter** | | **Six** | |  | **1** | **2** | **Months** | |  |  |  |  | | Direct materials per unit | × | × |  | | Total pounds needed for production |  |  |  | | Add: |  |  |  | | Total materials required |  |  |  | | Less: |  |  |  | | Direct materials purchases |  |  |  | |  | × $ | × $ |  | | Total cost of direct materials purchases | $ | $ | $ | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |  | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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