|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Prepare a production budget by quarters for the 6-month period ended June 30, 2009.

|  |
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| **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 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 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 |

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

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