P10-4A

Jantzen Manufacturing Inc. operates the Patio Furniture Division as a profit center. Operating data for this division for the year ended December 31, 2008 are as shown below:

Difference

Budget from Budget

$2,500,000 $60,000 F

Sales

Cost of goods sold

Variable 1,300,000 41,000 F

Controllable fixed 200,000 6,000 U

Selling and Administrative

Variable 220,000 7,000 U

Controllable fixed 50,000 2,000 U

Noncontrollable fixed costs 70,000 4,000 U

In addition, Jantzen Manufacturing incurs $180,000 of indirect fixed costs that were budgeted at $175,000. Twenty percent (20%) of these cost are allocated to the Patio Furniture Division

Prepare a responsibility report for the Patio furniture division for the year

Jantzen Manufacturing Inc.

Patio Furniture Division

Responsibility Report

For Year ended December 31, 2008

Difference

Favorable F

Budget Actual Unfavorable U

Sales

Variable costs

Cost of goods sold

Selling & Admin

Total variable costs

Contribution margin

Controllable fixed costs

Cost of goods sold

Selling & Admin

Tot. fixed costs

Controllable margin