MGT705 - SOLUTION of ASSIGNMENT # 2 - FALL 2012

DUE DATE : 21 - 01 - 2013

Total Budgeted Cost = 2500000
Total Actual Cost = 2650000

Expense Type	Budget%	Actual %
Staff Salaries	54	56
Suplies	8	7
Travel Cost	13	13
Technology Cost	12	9
Possession Cost	13	15

a) Traditional

Expence	Budget	Actual	Variance	
Staff Salaries	1350000	1484000	-134000	A
Suplies	200000	185500	14500	F
Travel Cost	325000	344500	-19500	A
Technology Cost	300000	238500	61500	F
Possession Cost	325000	397500	-72500	A
	2500000	**2650000**	**-150000**	

Example:
Supplies = 2500000*8% = 200000
Variance = Budget - Actual

Total Budgeted Cost = 2500000
Total Actual Cost = 2650000

Activity	Budget%	Actual %
Scheduling New Products	18	15
Scheduling Existing Products	40	35
Remedial Scheduling	6	10
Special Studies	11	10
Training	10	15
Management and Admin	15	15

b) Activity Base

Activity	Budget	Actual	Variance	
Scheduling New Products	450000	397500	52500	F
Scheduling Existing Products	1000000	927500	72500	F
Remedial Scheduling	150000	265000	-115000	A
Special Studies	275000	265000	10000	F
Training	250000	397500	-147500	A
Management and Admin	375000	397500	-22500	F
	2500000	**2650000**	**-150000**	