

CA IPC Costing

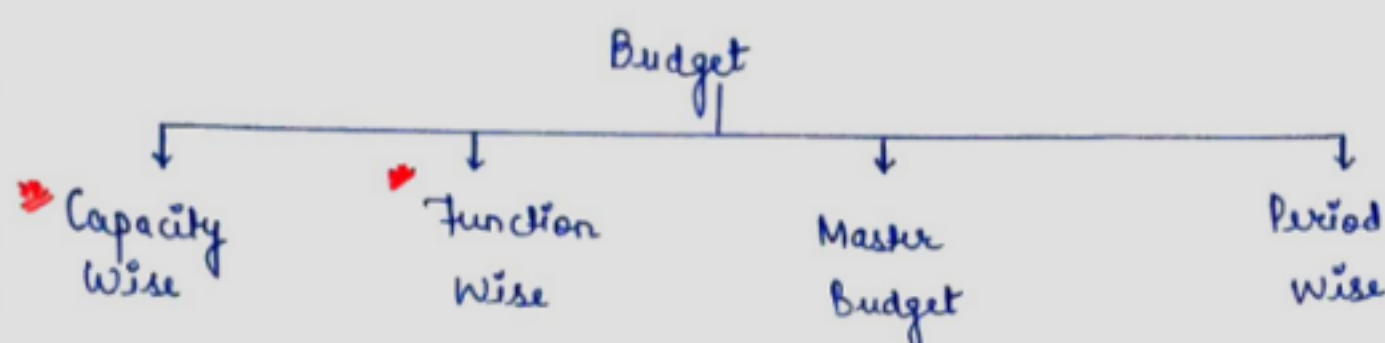
Budgetary Control

Thursday, May 14, 2020

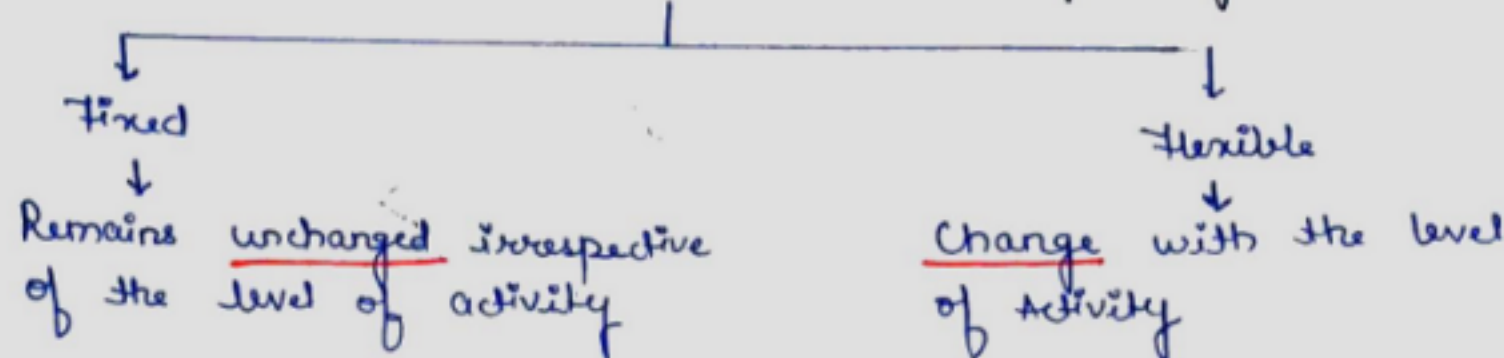
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Chapter 15 → Budgetary Control

1] Types of Budget

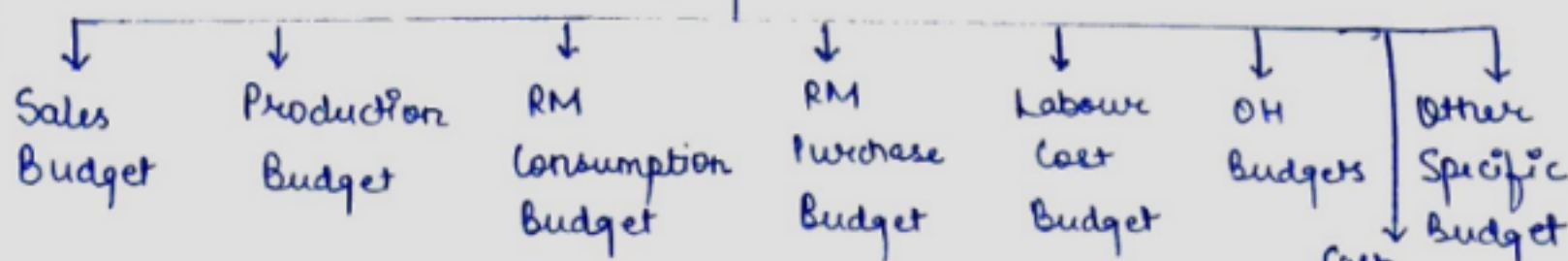


2] Capacity Wise Budget / Flexibility Budget



V_grup → VC → P.V. ~~changes~~ Remains same
 FC → ₹ remains same.
 Always Standard ko Actuals pe lena padega so that you can compare

3] Function Wise Budget



Note: Function Wise Budgets are many however those which are important are covered.

4] Calculations of Budget (Function Wise)

(a) Sales Budget [Qty and Value]

(b) Production Budget [Qty]

Budgeted Sales	xx
(+) Uq. Stk Fcr	xx
(-) Op. Stk Fcr	(xx)
No of units to be produced	<u>xx</u> → Qty

(c) RM Consumption / Usage Budget [Qty and value]

Budgeted No. of units to be produced	xx
(X) RM Usage p.u of Fcr	xx
RM (Qty)	<u>xx</u> → Qty
RM (Qty)	xx
(X) Price of RM pu	xx
Cost of RM (₹)	<u>xx</u> → ₹

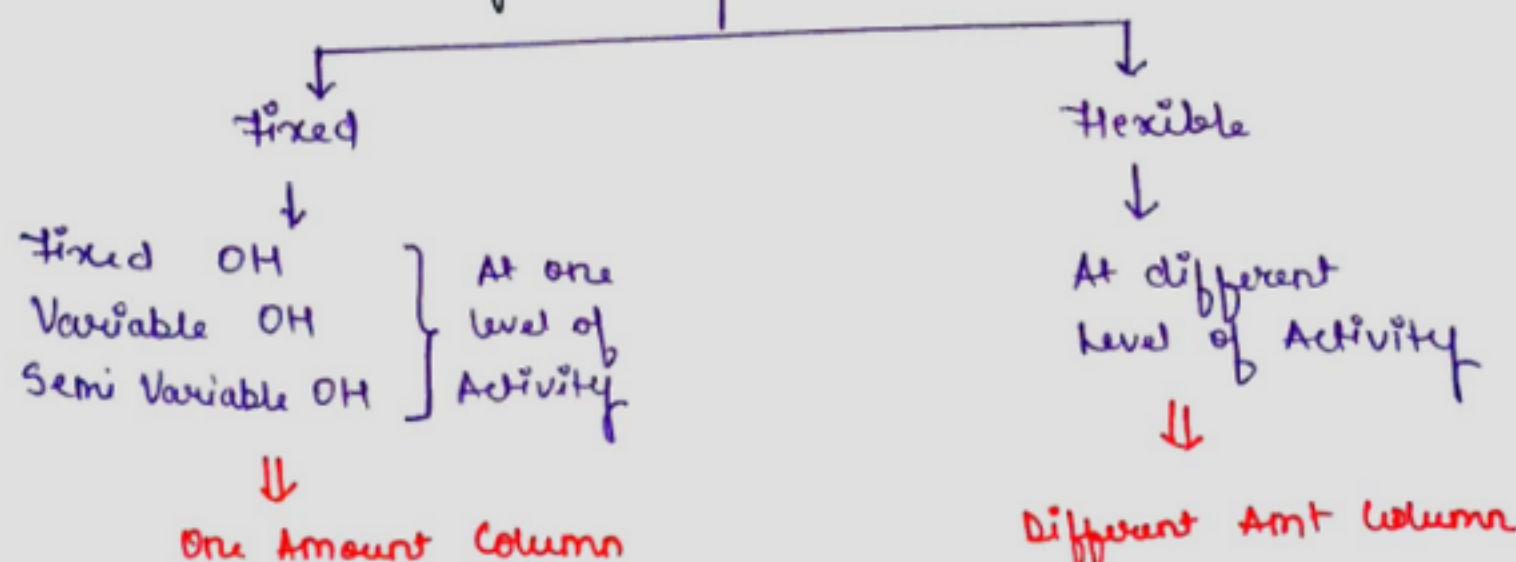
(d) RM Purchase Budget [Qty and value]

Total RM Required	xx
(+) Uq Stk of RM	xx
(-) Op. Stk of RM	(xx)
RM Purchase Qty	<u>xx</u> → Qty
(X) Price of RM pu	xx
Cost of RM Purchased	<u>xx</u> → ₹

(e) Labour Cost Budget [Hours and value]

Budgeted Prod ⁿ of Fcr	xx
(X) DLH Req ^d pu of Fcr	xx
Total DLH Req ^d	<u>xx</u> → Hours
(X) Labour Hour Rate per hour	xx
Direct Labour Cost	<u>xx</u> → ₹
Total DLH Req ^d	xx
(%) Effective Hours per worker	xx
Manpower Required	<u>xx</u> → No.

(f) Overhead Budgets



Imp Notes:-

① When Sales Qty is directly not given in question then find Const p.u × Sales Mix Ratio = Total Weighted Const

$$\therefore \text{Sales to Eaten} = \frac{\text{FC} + \text{DP}}{\text{Const pu}}$$

(Qty)