

Exercise 10-1 (10 minutes)

Puget Sound Divers
Flexible Budget
For the Month Ended May 31

Actual diving-hours	105
Revenue (\$365.00q).....	<u>\$38,325</u>
Expenses:	
Wages and salaries (\$8,000 + \$125.00q)...	21,125
Supplies (\$3.00q)	315
Equipment rental (\$1,800 + \$32.00q).....	5,160
Insurance (\$3,400)	3,400
Miscellaneous (\$630 + \$1.80q).....	<u>819</u>
Total expense	<u>30,819</u>
Net operating income	<u>\$ 7,506</u>