

Exercise 10-14 (20 minutes)

Jake's Roof Repair
Activity Variances
For the Month Ended May 31

	<i>Planning Budget</i>	<i>Flexible Budget</i>	<i>Activity Variances</i>	
Repair-hours (q)	2,800	2,900		
Revenue (\$44.50q)	<u>\$124,600</u>	<u>\$129,050</u>	<u>\$4,450</u>	F
Expenses:				
Wages and salaries				
(\$23,200 + \$16.30q)	68,840	70,470	1,630	U
Parts and supplies (\$8.60q)	24,080	24,940	860	U
Equipment depreciation				
(\$1,600 + \$0.40q)	2,720	2,760	40	U
Truck operating expenses				
(\$6,400 + \$1.70q)	11,160	11,330	170	U
Rent (\$3,480)	3,480	3,480	0	
Administrative expenses				
(\$4,500 + \$0.80q)	<u>6,740</u>	<u>6,820</u>	<u>80</u>	U
Total expense	<u>117,020</u>	<u>119,800</u>	<u>2,780</u>	U
Net operating income	<u>\$ 7,580</u>	<u>\$ 9,250</u>	<u>\$1,670</u>	F