

Exercise 10-3 (15 minutes)

Quilcene Oysteria
Revenue and Spending Variances
For the Month Ended August 31

	<i>Flexible Budget</i>	<i>Actual Results</i>	<i>Revenue and Spending Variances</i>	
Pounds	8,000	8,000		
Revenue (\$4.00q)	<u>\$32,000</u>	<u>\$35,200</u>	<u>\$3,200</u>	F
Expenses:				
Packing supplies (\$0.50q)	4,000	4,200	200	U
Oyster bed maintenance (\$3,200)	3,200	3,100	100	F
Wages and salaries (\$2,900 + \$0.30q)	5,300	5,640	340	U
Shipping (\$0.80q)	6,400	6,950	550	U
Utilities (\$830)	830	810	20	F
Other (\$450 + \$0.05q)	<u>850</u>	<u>980</u>	<u>130</u>	U
Total expense	<u>20,580</u>	<u>21,680</u>	<u>1,100</u>	U
Net operating income	<u>\$11,420</u>	<u>\$13,520</u>	<u>\$2,100</u>	F