

P9-2 Cost performance report and budgeted profit and actual profit for a service business

The budget for the Williams Equipment job in P9-1 consisted of the following amounts:

L01

Partners' salary and overhead	\$6,300
Associates' salary and overhead	9,175
Travel	4,150
Telephone/fax	1,475

The successful bid price of the job was \$26,900.

Required:

1. Prepare a cost performance report.
2. Compute the budgeted profit and the actual profit on the job.

P9-3 Preparing a revenue budget and a labor budget for a service business

Lynn and Paul, partners in a systems consulting firm, budgeted the following professional labor hours for the year ended December 31, 2008:

L02

Partners	4,000
Associates	14,000
Staff	22,000

Partners have a billing rate of \$225 per hour and actually earn \$110 per hour. Associates bill out at \$140 per hour and earn \$85 per hour. Staff has a billing rate of \$95 per hour and earn \$55 per hour.

Required:

1. Prepare a revenue budget.
2. Prepare a professional labor budget.

P9-4 Preparing an overhead budget, an other expenses budget, and a budgeted income statement

Lynn and Paul, the systems consultants in P9-3, budgeted overhead and other expenses as follows for the year ended December 31, 2008:

L02

Overhead:	
Depreciation—equipment	\$ 60,000
Depreciation—building	135,000
Fringe benefits	385,000
Photocopying	95,000
Secretarial support	465,000
Telephone/fax	115,000
Utilities	193,000
Other expenses:	
Travel	\$123,000
Meals	37,000