

Snip and Chip Inc. sells silk upholstery curtains for \$150 each. The project's budgeted unit sales for four months during the current year appear below:

February	\$39,000
April	\$42,000
May	\$44,000
June	\$40,000

Additional information:

- The project desires to have an inventory at the end of each month equal to 15 percent of the following month's budgeted unit sales.
- Each curtain requires 2.0 yards of fabric.
- At the end of each month, the project decides to have 20 percent of the production material required for the next month on hand.
- The fabric costs \$25 per yard. Each curtain produced requires 1 hour of direct labor.
- The project pays \$27 per hour to its employees.

Prepare the following budgets for the project:

- Production budget for the month of April
- Materials purchase budget for April

Submission Requirements:

- Answer each problem in detail with conclusions and results.
- Submit the calculations in a Microsoft Excel file, showing step-by-step calculations.
- Submit the responses in a Microsoft Word document meeting the following criteria:
 - Font: Arial, Size: 12 point
 - Length: 2–3 pages

Evaluation Criteria:

The [exercise rubric](#) will be used to evaluate your responses.