

General information			
Name coach			
Name company	WACHTWOORD IS: assignment		
Market		Company	

Budgeting assignment

This budgeting assignment consists out of two parts:

1. EXAMPLE: Fill out the following topics of financial year 10 and financial year 11 in absolute figures
 - For financial year 10, you use the financial report of year 10.
 - For financial year 11 (the example given), you can find the correct numbers by using the financial report of financial year 10, together with the decisions and assumptions you'll find in the financial report of year 11. This part of the assignment should give you the insights you need to address the next part of this assignment.
2. PREPARATION: During the business game you will budget each financial year. Therefore, try to be well prepared, so you can work efficiently during the game. The topics below will always be budgeted.
 - Create a kind of template in which you include formulas combined with "calculations" (what will be the level of demand in the upcoming year, what will be the purchasing price of raw material ...). (You can use the 'calculations' tab for this.)
 - Develop already formulas in this tab, so a part of the budgeting exercise can be calculated automatically through the business game.

Income statement	FY 10	FY 11
Net sales	€ 25 942 680.00	€ 27 954 685.00
Total use of materials	€ 4 816 320.00	€ 5 855 791.00
Personnel expenses <i>sales - production - support</i>	€ 7 375 000.00	€ 8 256 250.00
Depreciation expenses <i>buildings - machines - equipment</i>	€ 4 534 750.00	
Energy costs	€ 265 572.00	€ 306 090.00
Waste costs	€ 517 152.50	€ 662 385.63
Storage costs	€ 418 540.00	€ 482 163.50
Research and development	€ 750 000.00	€ 1 575 000.00
Transportation costs	€ 1 553 808.00	€ 1 732 033.80
Marketing	€ 1 250 000.00	€ 2 110 000.00
Administration <i>without wages of support staff</i>	€ 778 280.40	€ 838 640.55
Training and motivation	€ 220 000.00	€ 280 000.00

Balance sheet	FY 10	FY 11
Long-term assets	€ 33 537 000.00	€ 31 596 000.00
Capital stock	€ 17 500 000.00	€ 17 750 000.00
Long-term liabilities	€ 16 000 000.00	€ 14 500 000.00

Extra	FY 10	FY 11
Degree of capacity utilization	98.50%	97.26%

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Prices y10	Material A
Quality 1	1380
Quality 2	1200
Quality 3	1050

Calculations

Income statement	FY 10	FY 11	Formules
Net sales	€ 25 942 680.00	€ 27 954 685.00	Net sales
Total use of materials	€ 4 816 320.00	€ 5 855 791.00	Total use of materials
Personnel expenses	€ 7 375 000.00	€ 8 256 250.00	Personnel expenses
<i>sales - production - support</i> Depreciation expenses	€ 4 547 700.00		<i>sales - production - support</i> Depreciation expenses
<i>buildings - machines - equipment</i>			<i>buildings - machines - equipment</i>
Energy costs	€ 265 572.00	€ 306 090.00	Energy costs Energy cos Energy cos
Waste costs	€ 517 152.50	€ 662 385.63	Waste costs Waste cos Waste cos
Storage costs	€ 418 540.00	€ 482 163.50	Storage costs
Research and development	€ 750 000.00	€ 1 575 000.00	Research and development
Transportation costs	€ 1 553 808.00	€ 1 732 033.80	Transportation costs
Marketing	€ 1 250 000.00	€ 2 110 000.00	Marketing
Administration	€ 1 478 000.00		Administration
<i>without wages of support staff</i>			<i>without wages of support staff</i>
Training and motivation	€ 220 000.00	€ 280 000.00	Training and n Training Training

Balance sheet	FY 10	FY 11
Long-term assets	€ 33 537 000.00	€ 31 596 000.00
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Degree of capacity utilization	98.50%	97.26%
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Task production capacity

YEAR 11

machines bought in	Year 9	Year 10	Year 11	
number of machines		25	1	5
minimum capacity (A-equivalents) per year		141	157	170
minimum number of personnel per machine		5	4	4

minimum capacity = 4532 (number of machines*minimum capacity)

minimum production personnel = 149 (number of machines*minimum number of personnel per machine)

actual capacity = 4866.577181 (minimum capacity*amount of labourers)/minimum production personnel

production = 4733.333333 (production product A + production product B/6)

degree of capacity utilisation year 11 = 0.972620624

YEAR 10

machines bought in	Year 9	Year 10
number of machines	31	1
minimum capacity (A-equivalents) per year	144	160
minimum number of personnel per machine	5	4

minimum capacity = 4624 (number of machines*minimum capacity)

minimum production personnel = 159 (number of machines*minimum number of personnel per machine)

actual capacity = 4653.081761 (minimum capacity*amount of labourers)/minimum production personnel