

RESIT EXAM IAE ROUEN Master CCA 2020 : 3h

PART 1 : BUDGET CASE STUDY : 10 points

Company LAVAL-ANJOU requires your help to prepare its budgets for the second half of the current year as well as its income statement and its balance sheet.

It manufactures standard isoplane door-frames outsourced for a group specializing in the distribution of building products. Each door block consists of a door and its door frame. The two visible faces of the doors (the "facings") are made of fibreboard (ISOREL type). The core ("alveolar", that is to say hollow) and the door frames are made of fir wood.

The standard cost of manufacturing a door block is as follows. It is based on a "normal" production level of 4,500 doorbells per month:

Standard Cost of production for a door block :

	Qty	unit	Cost per Unit	Amount in €
pannels	3	m2	3,00 €	9,00 €
Fir wood	0,05	m3	30,00 €	1,50 €
Quincaillerie	1	lot	4,45 €	4,45 €
Direct Labour	0,1	heure	15,00 €	1,50 €
Factory overheadssine	0,1	heure de MOD	8,00 €	0,80 €
				17,25 €

The forecasted monthly sales are 5000 units except for August, month for which sales will be limited to 2000 units. The selling price is 19 €. There are no marketing costs.

All sales are cashed at 60 days end of month.

The initial stock is 3,000 doorblocks valued at € 16.90 per unit. The quantities produced during month N are set so as to have an end-of-month N inventory equivalent to 50% of sales forecast in month N + 1.

The production of each month is valued at the standard cost and the forecast stocks at the weighted average cost.

Supplies of fibreboards, fir wood and hardware are made in Just in time flows (no stock). These materials and supplies come from a subsidiary of MAINE-HUISSERIE. Settlement is made at 60 days end of month.

The cost of labour (15,00 € / h) includes 40% of social security contributions (salaries + employers social contribution). Working time being annualized, the cost of direct labor can be considered as a variable load.

Net salaries are paid at the end of each month and the social contributions at the end of each quarter (ie at the end of September for the social charges for July, August and September ...). You can assume no contribution paid by the employees.

The "factory overheads" (ie € 3600 / month) include € 2000 in depreciation and amortization. Disbursements are paid at the end of each month. The forecast balance sheet as at 30 June N is as follows:

Balance sheet at 30 June N : in euros

	Gross	A/P	Net		
Fixed assets	240 000	80 000	160 000	Common capital	200 000
Inventories of blocks	50 700		50 700	Retained earnings	110 970
Trade receivables (1)	171 000		171 000		
Cash & equivalent	10 000		10 000	Trade payables (2)	80 730
<u>Total</u>	<u>471 700</u>	<u>80 000</u>	<u>391 700</u>	<u>Total</u>	<u>391 700</u>

(1) split into 76 000 € to be cashed in July and 95 000 € in August.

(2) to be paid for 35 880 € in July and 44 850 € to be paid in August

Required:

Compile the monthly budgets for the second half of the current year as well as its cumulative income statement and its balance sheet at the end of December.

PART 2 : Scorecards 10 points

Company EEE is a company assembling micro-computers which are distributed in their 10 shops in France

The headquarter activities performed by 20 employees are the following :

- Negotiation of procurement contracts with selected suppliers
- Test of electronic components (Department of procurement)
- Assembly of standard configurations which are delivered to the shops (Department of production)
- Organisation and promotion of the products with advertising in specialised newspapers (Department of sales)
- Negotiation, conception, maintenance, installations of computers for large accounts (large companies) (Department of sales)

Those activities are under the responsibility of the heads of the various departments.

The shops sell most of the computers to individual customers. They employ, in average, 3 technicians.

They distribute standard configurations which can be modified if requested by the customer. Those modifications are invoiced in addition.

The shops also trade the most popular softwares on DVD's or USB keys. They manage the technical issues occurring at home when individuals start to use computers or softwares.

The managers of the shops directly report to the head of the department of sales. They have, by delegation, the freedom to negotiate a discount for the customers (compared to the agreed prices defined by EEE).

They are rewarded according to the level of margin on sales achieved. The cost of the products is pre-defined by the finance department at the beginning of the year.

A) Define and explain the rationale to find the key indicators you should find in **the scorecard of one shop (4 points)**

B) Design the scorecard *for every head of department* : procurement, commercial, production with the relevant indicators (6 points)

