

MANAGEMENT ACCOUNTING I
MANAGEMENT
School Year 2014/2015

Case for Assessment 1

GAMA company produces and markets the product G, from the conversion of the raw material A.

Regarding February of the Year N, the following data are known:

- Costs and expenses per functions (in €):

Description	Manuf. Function	Selling (Distrib.) Function	Administrative Function	Total
Supplies and Services	25 000	6 000	5 500	36 500
Salaries	100 000	45 000	35 000	180 000
Depreciation	35 000	18 000	15 000	68 000
Total	160 000	69 000	55 500	284 500

- Theoretical expenses are calculated on salaries at the rate of 50%.
This rate is used both in the P&L Statement per Natures and in P&L Statement per Functions.
- The salaries of the manufacturing function relate only to the Direct Labour;
- The monthly financial expenses amount to 300 000€.

- Monthly variation of the raw materials stocks:

Description	MU	Quantity	Unit Cost
Opening Stock	ton	5 000 tons	75€
Purchases	ton	10 000 tons	60€
Consumptions	ton	?	-
Closing Stock	ton	4 000 tons	-

Monthly variation of the secondary materials stocks:

Description	Value (€)
Opening Stock	3 000 €
Purchases	18 000 €
Consumptions	?
Closing Stock	1 000 €

Note: The secondary materials relate only to the Manufacturing Function

- Monthly variation of the products stocks:

Description	Finished Product	PiP
Opening Stock	5 500 Units at 40 €/Unit	5 000€
Production	20 000 Units	-
Sales	25 000 Units at 70€/ Unit	-
Closing Stock	?	10 000€

The company adopts **LIFO** as criterion of the stocks output valuation.

Based on the available information, **it is required** to prepare the P&L Statement per Natures and the P&L Statement per Functions.

APPENDICES

Prepare the P&L Statement per Natures and per Functions

Supporting Calculations

Preparation of the P&L Statement per Functions

Description		Supporting calculations
Sales		
MCPS		
Subtotal		
NPMC		
Gross Profit		
Selling (distribution) expenses		
Administrative expenses		
Operational profit		
Financial expenses		
Profit before Taxes		

Preparation of the P&L Statement per Natures

Income and Expenses	Value (€)	Supporting calculations
Sales and services rendered		
Operational benefits		
Variation of the FP stocks		
Closing stock of FP		
Opening stock of FP		
Variation of the PiP stocks		
Cost of the goods sold and of the materials consumed		
Supplies and external services		
Expenses with employees		
Stocks valuation		
Impairment		
Increases/reductions of the fair value		
Other income and earnings		
Other expenses and losses		
Earnings before interests, taxes, depreciation and amortization (EBITDA)		
Depreciation and amortization		
Earnings before interests and taxes (EBIT)		
Financial income		
Financial expenses		
Profit before taxes		