

### Case BLUEEX Company

BLUEEX company produces and markets decorated tiles. It is structured into two profits centres, PC1 and PC2. Decision-making is not centralized and therefore its managers may freely opt for doing business internally or externally. PC1 produces raw tile and PC2 decorates tiles with hand painting.

Knowing the following data regarding BLUEEX,

Data	
Market price of the raw tile (MP)	18 €
Forecasted sales	200 000 m
Forecasted unit cost of production	10 €
Credit obtained / provided	30 days
Stocks policy of raw tile in Profit Centre 1	
Internally	null
Externally	45 days
Stocks policy of raw tile in Profit Centre 2	
Internally	null
Externally	30 days
Selling (distribution) variable costs in products sold in Profit Centre 1	5% of Market price
Purchase Expenses in Profit Centre 2 (unit)	0.5 €
Cost of capital in BLUEEX	10%

1. Mention the objectives of the internal transfer prices;
  2. Prepare a proposal of internal transfer price to practice in Blueex;
- (Suggestion: calculate the financial impact per unit sold / bought).