Task 2

- Identification of variations to operational plans and process again approval from designated persons/groups for rectification of noted variations.

Note: Consider the information provided in the next slide to develop this task

Terra Engineering

Data	Budget 2016	Actual	Variance	Variance %
Sales	$480,000	$514,500	$34,500	7.2%
Cost of goods Sold	$215,000	$200,000	-$15,000	-7.0%
Gross Margin	$265,000	$314,500	$49,500	18.7%
Gross Margin %	55%	61%	$0	18.9%
Rent	$6,000	$6,200	$200	3.3%
Personnel Cost	$35,000	$25,000	-$10,000	-28.6%
Utilities	$2,000	$2,500	$500	25.0%
Consumables	$4,000	$4,800	$800	20.0%
Misc Exp	$10,000	$12,000	$2,000	20.0%
Operating Expenses	$57,000	$50,500	-$6,500	-11.4%
Operating Profit	$208,000	$264,000	$56,000	

Use the table to support your answers and consider all the information of the Operational Plan of Terra Engineering to develop this task.