budgeted sales for Model G?

6-21 Revenues and production budget. Price, Inc., bottles and distributes mineral water from the company's natural springs in northern Oregon. Price markets two products: 12-ounce disposable plastic bottles and 1-gallon reusable plastic containers.

1. For 2015, Price marketing managers project monthly sales of 420,000 12-ounce bottles and 170,000 1-gallon containers. Average selling prices are estimated at $0.20 per 12-ounce bottle and $1.50 per 1-gallon container. Prepare a revenues budget for Price, Inc., for the year ending December 31, 2015.
2. Price begins 2015 with 890,000 12-ounce bottles in inventory. The vice president of operations requests that 12-ounce bottles ending inventory on December 31, 2015, be no less than 680,000 bottles. Based on sales projections as budgeted previously, what is the minimum number of 12-ounce bottles Price must produce during 2015?
3. The VP of operations requests that ending inventory of 1-gallon containers on December 31, 2015, be 240,000 units. If the production budget calls for Price to produce 1,900,000 1-gallon containers during 2015, what is the beginning inventory of 1-gallon containers on January 1, 2015?

6-22 Budgeting; direct material usage, manufacturing cost, and gross margin. Xander Manufacturing Company manufactures blue rugs, using wool and dye as direct materials. One rug is budgeted to use 36 skeins of wool at a cost of $2 per skein and 0.8 gallons of dye at a cost of $6 per gallon. All other materials are indirect. At the beginning of the year Xander has an inventory of 458,000 skeins of wool at a cost of $961,800 and 4,000 gallons of dye at a cost of $23,680. Target ending inventory of wool and dye is zero. Xander uses the FIFO inventory cost flow method.

Xander blue rugs are very popular and demand is high, but because of capacity constraints the firm will produce only 200,000 blue rugs per year. The budgeted selling price is $2,000 each. There are no rugs in beginning inventory. Target ending inventory of rugs is also zero.

Xander makes rugs by hand, but uses a machine to dye the wool. Thus, overhead costs are accumulated in two cost pools—one for weaving and the other for dyeing. Weaving overhead is allocated to products based on direct manufacturing labor-hours (DMLH). Dyeing overhead is allocated to products based on machine-hours (MH).