

2.

value:
2.00 points

Lavage Rapide is a Canadian company that owns and operates a large automatic carwash facility near Montreal. The following table provides data concerning the company's costs:

	Fixed Cost per Month	Cost per Car Washed
Cleaning supplies		\$ 0.70
Electricity	\$ 1,200	\$ 0.06
Maintenance		\$ 0.20
Wages and salaries	\$ 4,400	\$ 0.30
Depreciation	\$ 8,500	
Rent	\$ 1,900	
Administrative expenses	\$ 1,600	\$ 0.05

For example, electricity costs are \$1,200 per month plus \$0.06 per car washed. The company actually washed 8,200 cars in August and collected an average of \$6.50 per car washed.

Required:

Complete the company's flexible budget for August.

Lavage Rapide	
Flexible Budget	
For the Month Ended August 31	
Revenue	
Expenses:	
Cleaning supplies	
Electricity	

For example, electricity costs are \$1,200 per month plus \$0.06 per car washed. The company actually washed 8,200 cars in August and collected an average of \$6.50 per car washed.

Required:
Complete the company's flexible budget for August.

Lavage Rapide	
Flexible Budget	
For the Month Ended August 31	
Revenue	
Expenses:	
Cleaning supplies	
Electricity	
Maintenance	
Wages and salaries	
Depreciation	
Rent	
Administrative expenses	
Total expense	0
Net operating income	\$ 0