

5.

value:
2.00 points

Alyeski Tours operates day tours of coastal glaciers in Alaska on its tour boat the Blue Glacier. Management has identified two cost drivers—the number of cruises and the number of passengers—that it uses in its budgeting and performance reports. The company publishes a schedule of day cruises that it may supplement with special sailings if there is sufficient demand. Up to 80 passengers can be accommodated on the tour boat. Data concerning the company's cost formulas appear below:

	Fixed Cost Per Month	Cost per Cruise	Cost per Passenger
Vessel operating costs	\$ 6,400	\$ 476.00	\$ 3.10
Advertising	\$ 2,500		
Administrative costs	\$ 5,200	\$ 36.00	\$ 1.50
Insurance	\$ 3,500		

For example, vessel operating costs should be \$6,400 per month plus \$476.00 per cruise plus \$3.10 per passenger. The company's sales should average \$32.00 per passenger. The company's planning budget for July is based on 55 cruises and 3,100 passengers.

Required:

Complete the company's planning budget for July.

Alyeski Tours	
Planning Budget	
For the Month Ended July 31	
Revenue	
Expenses:	
Vessel operating costs	
Advertising	

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Alyeski Tours	
Planning Budget	
For the Month Ended July 31	
Revenue	
Expenses:	
Vessel operating costs	
Advertising	
Administrative costs	
Insurance	
Total expense	
Net operating income	