Osborne Books

Management Accounting Techniques

Forecast sheet supplement

This supplement provides an exercise for students to practice the FORECAST Sheet option, which AAT has clarified may be tested as part of the AQ2022 assessment for Management Accounting Techniques.

This subject is covered in a supplement to the Spreadsheets for management accounting book which is available on the Osborne Books website.

A supplement that explains **FORECAST SHEET** has been added to the Spreadsheets for Management Accounting section of the Osborne Books website. The following exercise from the Management Accounting Techniques Tutorial includes the **FORECAST** function, and has been extended to cover the **FORECAST SHEET** function.

chapter activity 5.4

This question currently uses the **FORECAST** function to determine the price for PM821.

Once you have completed the exercise using FORECAST function, you can also follow this alternative wording for point 1, which uses **FORECAST SHEET** for forecasting the price per tonne of PM821.

Download the spreadsheet file 'MATST Chapter Activity 5.4 using FORECAST SHEET data' from the Osborne Books website.

Save the spreadsheet file in an appropriate location and rename it 'MATST Chapter Activity 5.4 using FORECAST SHEET answer'

Open the renamed file.

On the worksheet '5.4 Forecast PM821' you are required to:

1 Create a **FORECAST SHEET**, using a line graph and a 'Forecast end' of 27 and name the new worksheet '5.4 Forecast cost PM821'.

On the worksheet '5.4 Forecast PM821', link the Forecast period (in column A) and forecast price per tonne for period 27 on '5.4 Forecast cost PM821' (in column C), to complete the specific quote information cells (B28 and C28).

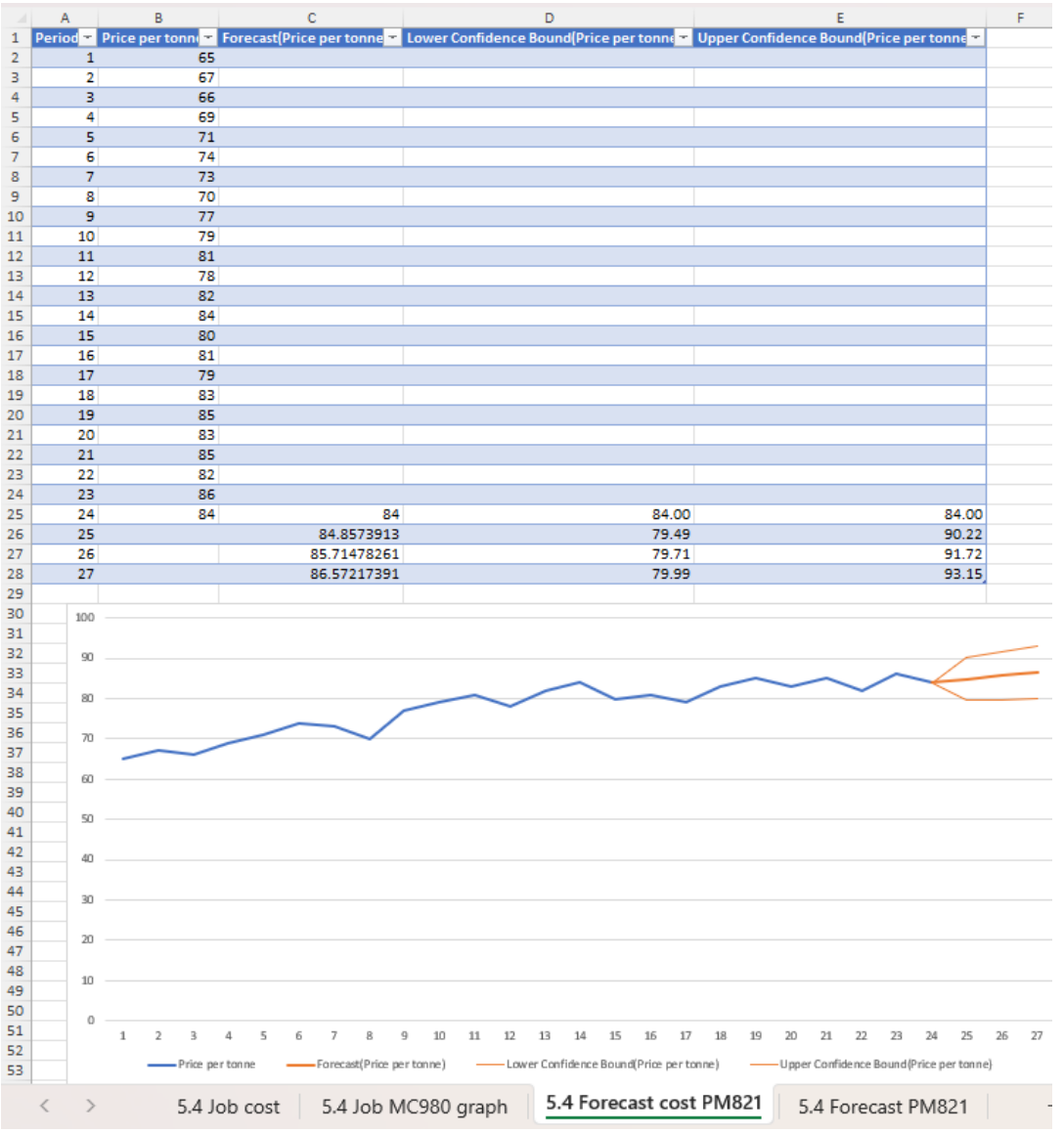
Fill B28 & C28 in green.

Note: all the remaining points in the question remains the same.

The answer to this activity is shown on the next page.

answer to chapter activity 5.4

Point 1 completed

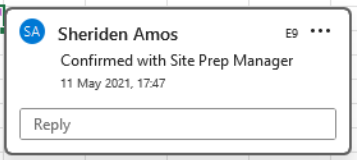


Period	Price per tonne	Forecast(Price per tonne	Lower Confidence Bound(Price per tonne	Upper Confidence Bound(Price per tonne
1	65			
2	67			
3	66			
4	69			
5	71			
6	74			
7	73			
8	70			
9	77			
10	79			
11	81			
12	78			
13	82			
14	84			
15	80			
16	81			
17	79			
18	83			
19	85			
20	83			
21	85			
22	82			
23	86			
24	84	84	84.00	84.00
25		84.8573913	79.49	90.22
26		85.71478261	79.71	91.72
27		86.57217391	79.99	93.15

In worksheet '5.4 Forecast PM821'
The formula in B28 is =Table1[@Period].
The formula in C28 is =Table1[@[Forecast(Price per tonne)]].

Points 2 to 7 completed

	A	B	C	D	E
1	**Quotation for Job MC980**				
2	To be completed in period 27				
3					
4		**Unit**	**Quantity**	**Price**	**Cost**
5	**Direct materials**			**£**	**£**
6	PM821 tarmac	Tonnes	20	86.57	1,731.40
7	Hardcore	Tonnes	30	35.40	1,062.00
8	**Direct labour**				
9	Site preparation team	Hours	375	15.00	5,625.00
10	Tarmac laying team	Hours	120	18.10	2,172.00
11	**Overheads**				
12	Site preparation O/H	60% of direct labour cost			3,375.00
13	Tarmac laying O/H	£30 per labour hour			3,600.00
14					
15	Total cost				17,565.40
16	Margin 20%				4,391.35
17	Selling price				21,956.75
18					OK
19					

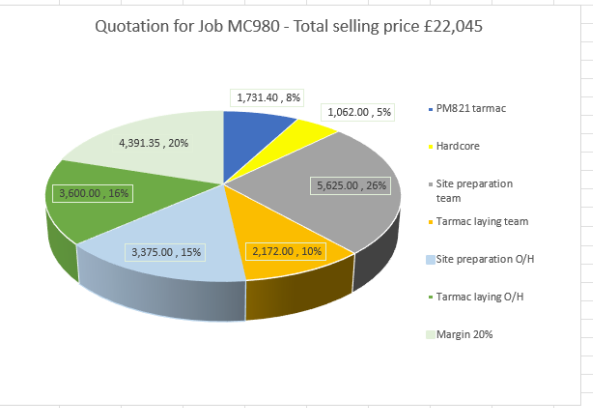


Points 2 to 7 formulas used

	A	B	C	D	E	F
1	**Quotation for Job MC980**					
2	To be completed in period 27					
3						
4		**Unit**	**Quantity**	**Price**	**Cost**	
5	**Direct materials**			**£**	**£**	
6	PM821 tarmac	Tonnes	20	=ROUND('5.4 Forecast PM821'!C28,2)	=D6*C6	
7	Hardcore	Tonnes	30	35.4	=D7*C7	
8	**Direct labour**					
9	Site preparation team	Hours	375	15	=D9*C9	
10	Tarmac laying team	Hours	=4*30	18.1	=D10*C10	
11	**Overheads**					
12	Site preparation O/H	60% of direct labour cost			=0.6*E9	
13	Tarmac laying O/H	£30 per labour hour			=30*C10	
14						
15	Total cost				=SUM(E6:E14)	
16	Margin 20%				=E15/0.8*0.2	
17	Selling price				=E16+E15	
18					=IF(E16/E17=0.2,"OK","Check")	
19						
20						

Points 8 to 15 completed.

	A	E
1	**Quotation for Job MC980**	
2	To be completed in period 27	
3		
4		**Cost**
5	**Direct materials**	**£**
6	PM821 tarmac	1,731.40
7	Hardcore	1,062.00
9	Site preparation team	5,625.00
10	Tarmac laying team	2,172.00
12	Site preparation O/H	3,375.00
13	Tarmac laying O/H	3,600.00
16	Margin 20%	4,391.35
17	Selling price	21,956.75
18		OK



The spreadsheet 'MATST Chapter Activity 5.4 using **FORECAST SHEET** answer' is available on the Osborne book website, to enable you to view the chart in colour.