

Analysis of sales budget and actual sales at CV Sumberjaya

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Abstract. The Sales Budget is also referred to as a key budget in the budgeting process, since the budget is the basis for the preparation of other types of budgets.. The aims of this study are to find out the budgeting approach and to determine the cause of the variance between sales budget and actual sales at CV. Sumberjaya in 2016. This type of study used not only descriptive quantitative analysis which was analyzed by variance analysis but also descriptive qualitative analysis. This study concludes that the company uses a top-down approach in the process of budget preparation. Then sales variance analysis shows that the unfavorable sales quantity variance happen in all five sales areas. After that the calculation of sale price variance revealed only one area (Ubud) got unfavorable variance and the two areas (Kuta and Mengwi) achieved favorable variance.

1. Introduction

Every Company certainly must have a plan in order that its activities within can be focused, but in the face of uncertain conditions then its management should find out the best strategy in order to optimize the achievement of goals and survival. Planning involves setting goals as a guide for the planning process by requiring all departments and other organizational units to establish their goals for the future [1]. With this planning an activity will have a guidance of the implementation of work, for the established plan can be achieved, then the company needs to hold control. Control monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and that the organization is meeting its goals such as quality and safety. When managers implement their plans, they often find that things are not working out as planned. The controlling function makes sure that goals are met [2]. One tool that can meet planning and control needs is budget, because Budgeting empowers all in the organization to understand organizational goals in terms of their responsibilities and be held accountable for budget plans and results since they can be compared [3]. Budgeting is synonymous with managing an organization.

The company in achieving its goals required a budget preparation. In the preparation of the budget there are two alternative preparation of the budget that is comprehensive and partially. Comprehensively means the company prepares the budget in a comprehensive scope, where the type of activities covered include all activities of the company, both the field of marketing, production, finance, and general administration. While partially is the company budget is compiled with a limited scope that only covers part of the company's activities, for example the company only preparing the sales budget.

Budgets can be used as a means to communicate information about the company's plans from the management to all employees and improve coordination of all parts in running the company's activities. In addition, the budget also serves as a reference to assess the company's performance. Performance evaluation can be done by comparing performance realization with planned performance so that

correction action can be done. One of the budgets in the company is the sales budget. Sales budget has a strategic role in supporting the company's activities to achieve its goal of earning profit. This sales budget will be made first compared to other budgets. The sales budget is a detailed plan of company sales over the coming period, including plans for the type of product to sell, the number of products to sell, the price of the product to be sold, the time of sale and the place / area of sale.

Preparation of sales budget is intended to achieve company goals in optimizing profits through planning, coordinating, supervising, and controlling sales activities. Sales budget has a very important role in determining the quality and quantity of goods including price, time and place of sale so that the more clear the sales budget of a company is presented, the easier the management of the company to carry out planning, coordination, monitoring and evaluation of sales activities.

Sales budgets are key budgets for other budgeting, sales budgets must be made carefully and thoroughly. If there is a mistake in the preparation of the sales budget, then the other budget also tends to be wrong and will ultimately affect the sales company that is the spearhead in obtaining profit. The realization of the sales budget can be used as a determinant tool in making decisions concerning the sale or preparation of the sales budget for the coming period and can contribute better to the company's profit [4].

CV. Sumberjaya which produces bottled drinking water (AMDK) in the form of gallon water sales, in 2016 the new company makes a partial budget that is the sales budget. The sales budget and sales realization CV. Sumberjaya for the year 2016 is as follows:

Sales Budget	Sales Realization	Variance
264.000 unit	231.364 unit	32.636 unit
Rp2.555.375.000,00	Rp2.372.138.000,00	Rp183.237.000,00

Based on the sales budget, the realization of the sales budget is not in accordance with the established and the realization is under the budget. Therefore, it is necessary to evaluate and settle the condition because the sales budget will affect all activities within the company. Based on this background, the author conducted a study on "Sales Budget Analysis and Actual Sales at CV Sumberjaya".

2. Methodology

The research was conducted at CV. Sumberjaya, Jl. Mengwitani, Mengwi District, Badung District - Bali. The time of this study began in May to August 2017. Types of Data used in this research were quantitative and qualitative data. At first, the quantitative data in this study is the report of sales and realization of the CV. Sumberjaya year 2016. Then the study used the organizational structure and its duties with related parties on the CV. Sumberjaya as qualitative data.

Primary data in this research is the result of interview with related parties at CV. Sumberjaya about the parties involved in budgeting, methods used in the preparation of the budget, the techniques used in the preparation of the budget, the cause of the difference in sales budget. In the other hand, secondary data in this research is organizational structure along with job description and sales budget report CV. Sumberjaya and its realization in 2016.

Data collection methods used in this study are: First of all, Interview is a method of collecting data directly by holding question and answer with related parties such as accounting CV. Sumberjaya that deal with the issues studied about the parties involved in the preparation of the budget, the method used in the preparation of the budget, the difference in sales budget. Secondly, Documentation that is collecting data by researching and observing data such as notes and company documents related to research conducted, such as company brief history, organizational structure, job description, sales budget report and sales realization of CV Sumberjaya in 2016.

2.1 Data Analysis Technique

The analytical techniques used in this study are as follows:

2.1.1 Quantitative Analysis

Quantitative analysis is an analysis technique in the form of calculations using the formula. The technique used in this study is the analysis of the variance in the sales budget by finding the variance between the budget with the actual sales in 2016 on the CV. Sumberjaya. The value of the variance or difference can be used to determine whether the difference is favorable or unfavorable. The variance that occurs in the sales budget can be due to the variance in the quantity and price.

The formula used in the analysis of sales budget variance is [5]:

2.1.1.1 Variance On Sales Budget

2.1.1.1.1 Quantity Variance

Quantity variance is the difference that occurs over units of products that have been planned in the budget. Mathematically, the quantity variance can be formulated in the form of the formula, as follows:

$$PK = (KR - KB) \times HB \quad (1)$$

Information :

PK = Quantity variance

KR = Actual Quantity

KB = Budget Quantity

HB = Budget Price (per unit)

If $KR >$

2.1.1.1.2 Price Variance

Price difference is the difference that occurs over the selling price per product unit that has been planned in the budget. Mathematically, the price difference can be formulated in terms of formulas, as follows:

$$PH = (HR - HB) \times KR \quad (2)$$

Information :

PH = Price Difference (per unit)

HR = Actual Price (per unit)

HB = Budget Price (per unit)

KR = Actual Quantity

2.1.2 Descriptive Qualitative Analysis

Qualitative analysis in this study is a description of the results of the research obtained so that later can be used to answer the budgeting done on the CV. Sumberjaya and can know the cause of the difference between the sales budget with the realization of sales in 2016.

3. Result and Discussion

3.1 Budgeting Process At CV. Sumberjaya

The preparation of operational budget at CV. Sumberjaya began in November using the Top Down Budgeting method. Top Down Budgeting is a method of budgeting compiled by top management / superiors directed to subordinates who fully make decisions in the preparation of the budget is top management / supervisor, while subordinates only as executor only. Sales budget on CV. Sumberjaya is done by the operational manager along with the owner.

The top-down budgeting method has weaknesses such as:

- Lack of subordinate commitment
- Often unworkable
- Difficult to achieve goals

This is in line with the results of research from M. Fadli [6] who did research on CV Jaya Art Palembang 2013. The method of budgeting conducted by CV Agung Jaya Art Palembang is the method of top-down Budgeting.

3.2 Sales Budget Variance Analysis

The variance between the sales budget and actual sales in 2016 is as follows:

Table 1. Sales Budget and Actual Sales

Sales Area	Actual	Budget	Variance		Remark
			Rupiah (Rp)	Percentage (%)	
Ubud	350.988.000	406.250.000	(55.262.000)	-14%	Unfavorable
Denpasar	457.380.000	552.500.000	(95.120.000)	-17%	Unfavorable
Kuta	428.580.000	409.500.000	19.080.000	5%	Favorable
Tabanan	433.910.000	505.000.000	(71.090.000)	-14%	Unfavorable
Mengwi	701.280.000	682.125.000	19.155.000	3%	Favorable
Total	2.372.138.000	2.555.375.000	(183.237.000)	7%	Unfavorable

Based on Table 1 above, Sales variance incurred for each sales area are different, for example the unfavorable variance that occurred in the city of Denpasar sales area of 17% of the budgeted or Rp.95.120.000.00. On the other hand Mengwi sales area experienced a favorable variance of 5% or Rp.19.080.000.00. This variance is then analyzed further using the analysis of the sales quantity and price variance.

3.2.1. Sales Quantity Variance Analysis

Sales quantity variance analysis is used as the basis for evaluation of the budget by comparing the Budget sales quantity with actual sales quantity multiplied by the selling price per unit budget. Sales quantity variance analysis in CV. Sumberjaya can be seen in the following table.

Table 2. Quantity Sales Variance

Sales Area	Actual (unit)	Budget (Unit)	Budget price / unit (Rp)	Sales Quantity variance (Rp)	Remark
Ubud	29.249	32.500	12.500	-40.637.500	unfavorable
Denpasar	45.738	55.250	10.000	-95.120.000	unfavorable
Kuta	42.858	45.500	9.000	-23.778.000	unfavorable
Tabanan	43.391	50.500	10.000	-71.090.000	unfavorable
Mengwi	70.128	80.250	8.500	-86.037.000	unfavorable

Based on Table 2, it is known that the budget sales quantity is greater than actual sales quantity (unfavorable variances). Based on sales analysis per month and interviews with the sales department, it is known that there are some indicators that cause unfavorable quantity variance.

a. Ubud Sales Area.

The unfavorable variance is caused by the decline in demand as a result of the decline in the number of tourists visiting the hotel or restaurant directly affects the level of sales of drinking water.

b. Denpasar Sales Area

The unfavorable variance is caused by some unsubscribed agents due to the inclusion of similar business products and also related to internal factors ie the budget set in the Denpasar sales area is too high which ignores the previous in's sales data.

c. Kuta Sales Area

The unfavorable variance in Kuta is due to the decrease in the number of tourists visiting the hotel or restaurant therefore affects the level of sales of drinking water.

d. Tabanan Sales Area

Tabanan area suffer unfavorable variance due to fiercer competition with similar businesses.

e. Mengwi Sales Area

Mengwi area face the same problem as Tabanan sales area.

3.2.2. Sales Price Variance Analysis

The sales price variance analysis is used as the basis for evaluation of the budget by comparing the budget sales price per unit with the actual sales price per unit multiplied by the actual quantity of sales. Analysis of sales price variance in CV. Sumberjaya can be seen in the following table.

Tabel 3. Sales Price Variance

Sales Area	Actual Price / Unit (Rp)	Budget Price / Unit (Rp)	Actual Quantity	Sales Price Variance (Rp)	Remark
Ubud	12.000	12.500	29.249	-14.624.500	unfavorable
Denpasar	10.000	10.000	45.738	-	-
Kuta	10.000	9.000	42.858	42.858.000	Favorable
Tabanan	10.000	10.000	43.391	-	-
Mengwi	10.000	8.500	70.128	105.192.000	Favorable

Based on Table 3, it is known the favorable and unfavorable happened in the sales area of Ubud, Kuta and Mengwi. Based on monthly sales analysis and interviews with the accounting and sales department, it is known that there are some indicators that cause price variances.

a. Ubud Sales Area

The sales price variance in Ubud's sales area is Rp14.624.500,00 (unfavorable). This is because there is a promotional fee provided by the CV. Sumberjaya initially included in the selling price, then the company management realized the error and then make the adjustment for it by recording the fee as administrative and general expense.

b. Kuta Sales Area

The sales price variance in Kuta's sales area is Rp14.624.500,00 (favorable). The variance of this price is due to the component of the selling price that has not taken into account changing external conditions such as rising bottle cap prices and cleaning wipes.

c. Mengwi Sales Area

The sales price variance in Mengwi's sales area is Rp105.192.000,00 (favorable). This difference occurs because the CV Sumberjaya Management made a mistake in determining the selling price margin per gallon.

4. Conclusion

The purpose of this study are to find out the budgeting approach and to determine the cause of the variance between sales budget and actual sales at CV. Sumberjaya in 2016.

The results of the analysis that has been done to actual sales and sales budget on CV. Sumberjaya pointed out that

- The process of preparing the sales budget using Top Down method with techniques used in the preparation of the budget is by using qualitative methods (non statistical method or opinion method).
- Unfavorable sales variance occurs in the sales area of Ubud, Denpasar and Tabanan sales while Kuta and Mengwi Sales Area has favorable sales variance.

- c. The entire sales area is experiencing an unfavorable sales volume variance. The reasons for this are the decline in the number of hotel guests, the increasing competition in the mineral sales business, and the set sales targets that are too high.
- d. Other calculations relating to the selling price variance show that the Kuta and Mengwi Areas get favorable variance on the other hand only the Ubud area that sells the products is below the budgeted price. Further examination of the variance indicates that CV Sumber Jaya management made a mistake in calculating the selling price of its products.

The results of this study are expected to provide feedback to the company so that in the coming year the budgeting process can be improved and the calculation of the target price and quantity of sales take into account the internal and external aspects of the company.

5. Acknowledgments

The author is greatly appreciate the support from head of accounting departement, the Director of Bali State Polytechnic and the Head of P3M.

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