

The actual information pertains to the month of June. As a part of the budgeting process, Great Cabinets Company developed the following static budget for June. Great Cabinets is in the process of preparing the flexible budget and understanding the results.

	<u>Actual Results</u>	<u>Flexible Budget</u>	<u>Static Budget</u>
Sales volume (in units)	20,000		22,000
Sales revenues	\$1,000,000	\$	\$1,100,000
Variable costs	480,000	\$	530,200
Contribution margin	\$520,000	\$	\$569,800
Fixed costs	276,200	\$	270,600
Operating profit	\$243,800	\$	\$299,200

The flexible budget will report _____ for the fixed costs.

- ☐ A. \$246,000
- ☐ B. \$270,600
- ☐ C. \$303,820
- ☐ D. \$530,200