Paris Baguette

Group 5

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1. Overview

(1)Introduction

The company Paris Baguette is branch company of SPC (Superb company with Passionate and Creative people). This company made a firm foundation of global bakery with the motto of “The best way to get a happy life”. The company is succeeding the tradition and the history of Korean bakery and now has branch of Paris croissant and BR Korea to activate their franchise industry and bread market. They has the world class competence and has many branches related to food industry ( Paris croissant, BR Korea) and ingredients branched like SPL, Mildawon etc so that they can supply good quality of ingredients.

(2) Profit structure analysis

On State audit results December 31, 2012, the current internal accounting management system model based on a metric, from the point of view of the critical importance of the vulnerability is not found. A significant increase in the size of the assets compared to 11 years, and there are a lot of increasing revenues and gross profit compared to 11 years. The cost of 11years has increased, but revenue increased compared to the bigger net profit increased as compared to the 4,525,528,210 this year. If you look at the cash flow analysis of cash for increased this year as compared to improve

(3) Number of stores

In 1988, the gate opened first, starting with Paris baguette in 1998 for the first time in the franchise, topped the domestic No. 600 stores. Currently, they are holding 3325 stores nowadays.

Why do we choose this issue? Select reason Paris baguette

Looking for subject to do our assignment, we went out for searching. Looking for subject with too much enthusiasm, we got very hungry so we went to Paris Baguette to eat bread. At that store the price of the sweet bean bread was \1200, croissant \000 and milk roll for \000. Then one of our team member remembered that the Paris Baguette which is in front of her home sell these bread for 1000 for promotion. So we got curious whether these breads are really a promotion or not. So we decided to do these breads as our topic.

Direct materials

Assumption

1. We referenced the cooking book to find the actual amount used to make these breads.

2. The stated amount in this book is for 10 for sweet bean bread, 20 croissant, 12 milk roll.

3. We find the materials price through internet and applied the most probable cost.

4. Actually, the basic paste is delivered by the main company paris baguette, but we couldn’t find it out so we assumed it’s price by our own.

|  |  |
| --- | --- |
| Cost of materials | |
| Strong flour | 1.5/g |
| Weak flour | 1.2/g |
| Sugar | 1.2/g |
| Butter | 6/g |
| Egg | 100/egg |
| Milk | 1.4/g |
| Bean starch | 3.7/g |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Sweet bean bread | | | croissant | | | Milk roll | | |
| DM | DM/unit | cost | DM | DM/unit | cost | DM | DM/unit | cost |
| Strong flour | 270 | 27 | 40.5 | 400 | 20 | 60 | 300 | 25 | 37.5 |
| Weak flour | 30 | 3 | 3.6 | 100 | 5 | 6 |  |  |  |
| Sugar | 50 | 5 | 6 | 45 | 2.25 | 2.7 | 30 | 2.5 | 3 |
| Butter | 30 | 3 | 18 | 200 | 10 | 60 | 40 | 3.3 | 19.8 |
| Egg | 1 | 1/10 | 10 | 1 | 1/20 | 5 | 1 | 1/12 | 8.3 |
| Milk | 50 | 5 | 7 | 100 | 5 | 7 | 100 | 8.3 | 11.62 |
| Bean starch | 450 | 45 | 166.5 |  |  |  |  |  |  |
| total |  |  | 251.6 |  |  | 110.7 |  |  | 80.22 |

Direct lobor

Assumption

1. We assumed 5000 per hour in sales clerk who works for 10 hours a day. Since the bread we selected is 1/5 of total sale so we divided clerk’s pay by 5 and evenly distributed the charge.
2. We assumed the baker’s pay 5000 per hour to make the least cost. Since Paris baguette is a chain, we found that the half of the baker’s pay is supported by the main company.
3. We found out the procedure to make the paste of the bread is same in those three bread, we combined the labor hour needed to make that paste to 5 hours a day and allocated them evenly through the breads.
4. To make the bread, baker needs extra 3 hours for sweet bean bread, 2 hours for croissant and 3 hours for milk roll.
5. We assumed to produce 50 croissant, 30 sweet bean bread and 20 milk roll.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Sweet bean bread | croissant | Milk roll |
| Cost for clert | 100[[1]](#footnote-1) | 100 | 100 |
| Cost for baker |  |  |  |
| DL cost for paste | 125[[2]](#footnote-2) | 125 | 125 |
| DL cost for making bread | 250[[3]](#footnote-3) | 100[[4]](#footnote-4) | 375[[5]](#footnote-5) |
| total | 475 | 325 | 600 |

Overhead

1. Electricity

Assumption

1. We referenced the cooking book to find the actual amount used to make these breads.

2. The stated amount in this book is for 10 for sweet bean bread, 20 croissant, 12 milk roll.

3. We find the overhead through internet and interview with the store manager.

4. Electricity cost is 360,000/month.

5. we are based on the KWH how many electricity we are spending to make three bread(croissant milkroll, sweet bean bread).

|  |  |  |  |
| --- | --- | --- | --- |
|  | Sweet bean bread | croissant | Milk roll |
| unit | 30 | 50 | 20 |
| power allocation | 25% | 62.5% | 12.5% |
| unit cost | 20 | 30 | 15 |
| explain | 360,000÷30day÷5×25%÷30unit =20 | 360,000÷30day÷5×62.5%÷50unit = 30 | 360,000÷30day÷5×12.5%÷50unit = 15 |

2. Depreciation cost

Assumption

1. The price of building depreciation is 200,000,000 won.

2. Durable period is 5years or 62months.

3. we find Depreciation cost through ask store manager.

3. Rent cost

Assumption

1. The price of rent is 3,000,000 won in month.

2. we find rent cost through ask store manager.

4.. Insurance cost

Assumption

1. The Insurance cost is 300,000 won in month.

2. we find rent cost through ask store manager.

1. 10\*5000/5/100 [↑](#footnote-ref-1)
2. 5\*(5000/2)/100 [↑](#footnote-ref-2)
3. 3\*(5000/2)/30 [↑](#footnote-ref-3)
4. 2\*(5000/2)/50 [↑](#footnote-ref-4)
5. 3\*(5000/2)/20 [↑](#footnote-ref-5)