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Part A

i. Monthly control report

In the given case Amana Ltd. Is the tourest business at England, there are operated with more than 40 location and earn much profit in the business, due to Covid-19 pandemic the sales of the company decline, as the government ban the movement of trust in many places. During the April 20 the revenue of Amana is decline badly so it is required the break down the cost of the company to survive in this situation. Following is the Control report of the company.

Particulars	Original budget	Monthly budget	Flexible budget		Monthly Flexible budget	Variance	Monthly Variance	Results		
Production in Units	10000		8333.333	80000		66670	20000		1667	U
Selling Price	25	250000	208325	20	2E+06	133340	5	100000	8335	U
Variable Cost										
Material	2.5	250000	20832.5	3.5	280000	23334.5	1	30000	1667	U
Labor	4	400000	33332	5.5	440000	36668.5	1.5	40000	2500.5	U
Overhead	1.5	150000	12499.5	1.5	120000	10000.5	1.5	0	0	F.
Contribution	17	1700000	141661	9.5	760000	63336.5				

on										
Fixed Over head										
Rent		2000 00	1666 6.67		1700 00	1666 6.67		3000 0	2500	F.
Insurance		1000 00	8333. 333		1000 00	8333. 333				E
Super wiser salary		5000 0	4166. 667		3500 0	4166. 667		1500 0	1250	F.
Total Fixed Cost		3500 00	2916 6.67		3050 00	2916 6.67		4500 0	3750	
Margin(Sales- (variable + fixed cost)		1350 000	1124 94.3		4550 00	3416 9.83				U

Operating control report is feedback of information's or loops in the business. These report is prepare as per the nature of the business, it can be prepare as on daily, monthly , weekly or yearly basis (Fang,2019). This report help the business to find the potential issues that could be harm the business, or it create unsafe working environment in the business. In general production related control are requited mostly but all department required to control the various activity those harm the business and related activities. Following are required to be control:

Administration:

Mostly business organization check the financial report on monthly basis, in operating report

financial report are the main part, it is fallen in MOC group, many business owner are concerned about the monthly cash flow or cash generation activity, the list of receivables are payables are prepared on monthly basis that how much is required to paid and collected in the next month, some report are prepare on daily basis such as cash reconciliation by the accountant in the business. Further daily need of cash is also the part of daily report (Maksymenko, 2018).

In case of Human Resources department monthly salary and wages report is prepared; with this the timesheet is also prepared for payment of labor and employees on monthly basis. With this sick time report also prepared on monthly basis at the time of payment of salary. With this the inspection of license due date and legal compliance for the next month such as GST filling are prepared on monthly basis.

Production:

In the production operating control report is very essential, it is depends on the nature of the business such as manufacturing units required more controlling while non-manufacturing units required less controlling. In case of hospitality industry control report includes measuring sales of many lines, departments and units. In tourist industry customers report is prepare as per monthly bias that how many truest are expected to come in the month and how many rooms and other services are required, in this case business prepare month report of the trust and the list of services that they required to be obtain as per set payments. This is required to identified the situation of company in the next months that how many trust are interested to visit this month , in case the list is below than some expense are required to be reduced in the business so the loss of business can be reduced.

Budget is the most important aspect of control report with the help of this business can identified the required offers to achieve the target of the company. With the help of monthly budget business can find the required sales for the next month and aware the staff to do more offers for completing the task on time and achieve the goals of the business.

Marketing and advertising:

Marketing control report is required to increase the sales of the company in this case of trust business the marketing is required that In this Covid-19 situation we are provides all facility with proper Hyzone and social distancing is followed by the company, in this case the

previous data of the customer can be used to enhance the sales of the truest business, the experienced team of management can help in this(Zapico , 2017).

(ii) Report on Amana's performance

As per the given data Amana's performance of business is shown that the actual figure are varied from the budgeted figure, as the sales of the company is expected to the 100000 units but in actual it is only 80000 that is 20000 below to the actual so in this it is required to make control for the sales of the company, further it is the pandemic situation so the people are avoided to visit outside the home, but management can applied the sales strategy to increase the sales of the company, the sales actual figure are not satisfied, so a strong marketing control is required in this step management can approach to the existing customers and given attractive offer and assurance that proper hygiene are provide . In this they can directly send the goods to the customers. The online sales of the products are the good option in this regards.

The fixed overheads in the business are remains fixed at a particular level of production so in this case the fixed cost remains no change except the salary of super wiser that is changed, and it is favorable for the business that it decline.

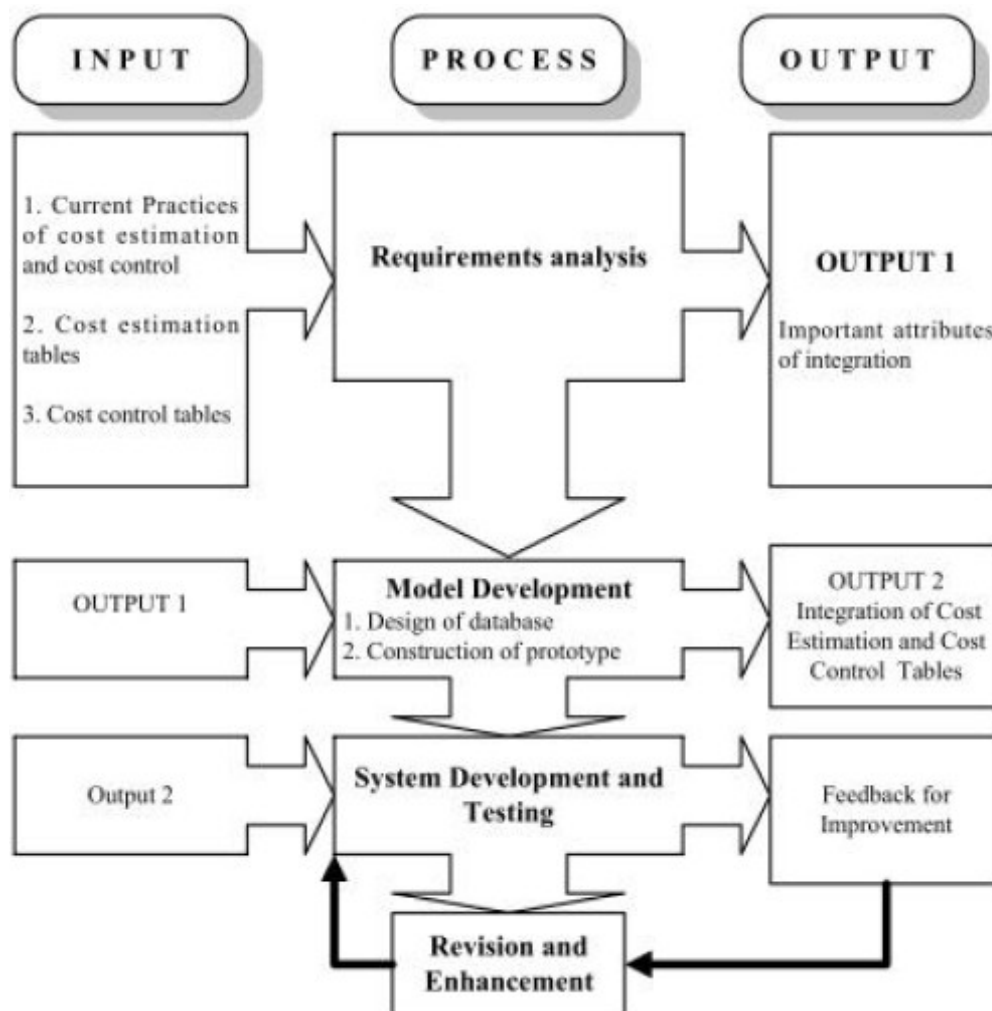
At the end the total profit as given in the budgeted figure is change with the actual figure in case of budgeted figure the margin is 112494 while in actual it is 34169.83 as it is decline badly, this is due to fixed expense and reduction do sales with reduction in selling price of the product of the company. Hence the overall performance of the company badly affected with the Covid-19 and it is required to improve it soon with the strong techniques of managements (Savio,2019).

The expense of the company are also increase this required to be control as the budgeted cost of material is 2.5 per unit but in actual it is 3.5 that is a big difference in this so this required to be control, the monthly report shown that the business expense are increase more than the sales of the company. The cost of labor is also increased in this the change is 1.5 per unit more than the budgeted figure so it is also required to be control, in this step business wants more permanent employees of fixed salary so the fluctuation is less . Cost of overheads are remain unchanged that is good sign for the business, in this step it is required to follow the cost control model in the business.

(iii) Recommendations

It is required to make some changes in the company for reduction of cost, as the cost of company is more than the sales of the company in ratio wise as from the previous figures, in this case it is recommended to follow the cost control model provided by various economist in this step the model provided by (Aznar et al. 2003) are very important, further it is required to increase the sales by increase the advertisement in the company, in this step a solid marketing strategy is required, as for a long time country faces the lockdown so it is required to make the confidence of the customers by providing various offers and facility of keeping social distancing and proper hygiene at stores. In this it is also required to cut down some fixed cost such as rent if possible as this situation going long so for survival it is required to cut down the cost and make the strategy of marketing for attracting customers.

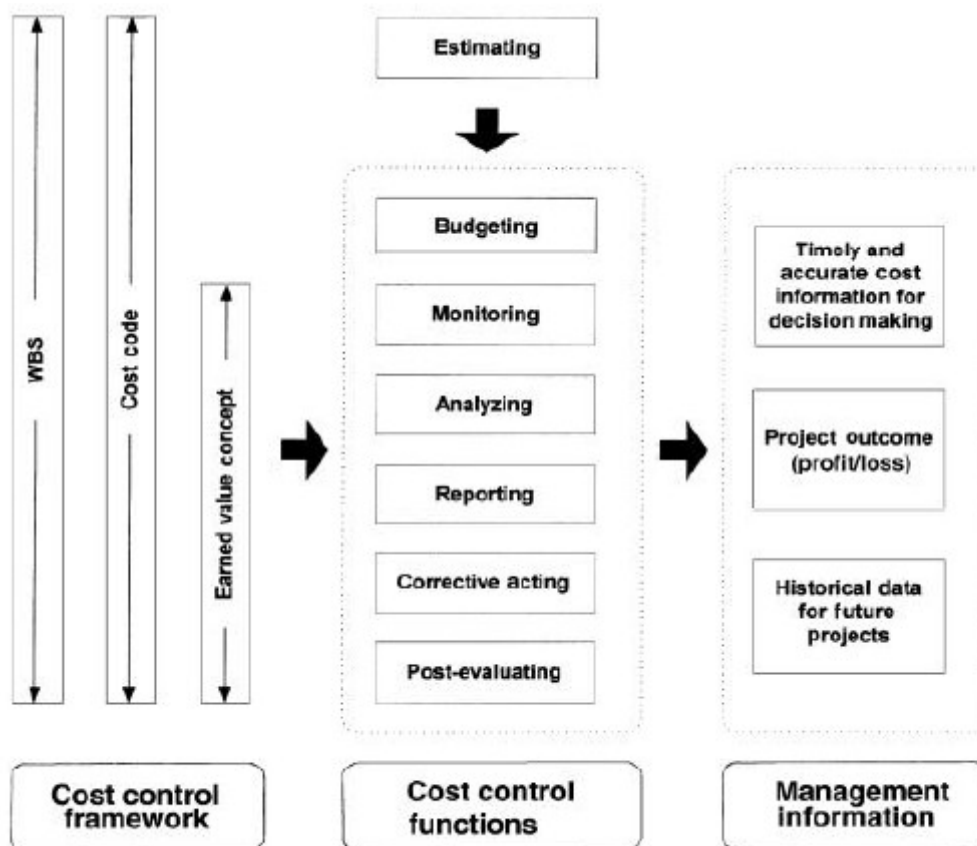
With this open some new area of work so people nearabout the area can also take the benefit of services and products of the company of the company.



After follow the above model a timely review is also required to follow up, in this cost engineering is consist of cost control and estimation of cost, the above cost control model is developed by the (Zahra et al 2003). This is based on the earned value concept and it cost main three elements that is budgeted cost, work performance, and budgeted cost of work scheduled. In this work performance = material used for the performance, and equipment = cost of equipment used in this product. As per this model cost and schedule variance is calculated.

For more sales online sales of the saviors are also good option for the company, in this step company may use the various online sites or develop its own website for sales of products, in this step marketing strategy is required to improve the sales of the company.

Cost control system an integrated view: In the given control system it provided the accurate and timely information to the management so management can take the right decision on time, in this management information's are stored in historical database so easy to take feedback in future.



Source: (Charoenngam and Sriprasert, 2001)

Part B

In the given case Mr. Amana want to sell their products online and have two options in this regards in one option the cost of the sales and sales is as follows:

Cost of setting up delivery Network	£150000
Cost of upgrading the current website	£50000
Salary of IT expert	£35000
Total cost as per new development	£235000

On the above cost the sale of the company is expected 100000 units from the online activity. In this case the cost per unit is $£235000/100000 = 2.35$ per unit.

In case of second option the cost is as follows:

Amazon fulfillment fees	£50000
Lack of control on price and return policy	
High completion with others	

As per this the cost of sales is £50000 that is for 65000 units, that means the cost per units for the products is $£50000/65000 = .769$.

The above calculation show that the cost per unit from new strategy for improvement of sales in first case is £2.35 per unit and in second case of Amazon is only .769, that means the second option is good as at primary level there is very less contribution is required in business, after increase of sales company can develop its own website, other factors such as lack of control on price may be settle with use of some planning in this part, this also required to make a strong policy for price controlling, in this case the strong marketing strategy can be used as marketing strategy help in this to build up the goodwill of the company and this help to set the price of the products of the company.

In case of tough competition it is very true that company may faces competition with other all even in case it develop its own website or sale by its own, in this regards it is required to develop the quality of the products and make the strong sales and marketing policy for more sales. Further present era is of competition so no need to take fear of competition, to face this make the goodwill of the company and quality products with strong customer's relations. It is the marketing and management of the company who may develop the strong sales policy and create the integrity of company. So it is suggested that to use the second option and Go with

Amazon at primary level and in case the online sales of company increase than management can think about the own sales online network of products of the company.(Lope et al.2013)

In this regards the online sales strategy required to be develop and company may try to sales it products as own (Maksymenko, 2018).

Further in the given case if company opt the Development of its own network than in this case it is required to pay £ 150,000 for deliver network, that means company first required to invest in this in case it is not successful to sell the online products of the company then all the investment gone waste, with this the salary of It person is also required to pay that is £ 35000 per annual an addition Burdon on the company, as per the market research the expected sales from all these is 100000 units, that means if company opt this option than it can be able to generate an additional sales of 100000 units that is good for the company, and all the controlling of sales and other are in the hand of company in this situation if company having additional resources for investment than company may opt this option and generates sales of 100000 units.

In other cases when company go with Amazon then the sales of the products of the company is 65000 units that is also guaranteed by the Amazon that means by investing only £50000 Amana can make sales of 65000 units, so from this point of view it is good option for the company to opt this and save the cost, in case the demand of products of the company enhance than company may develop its own network of online sales before this it is advisable to save the initial cost as well as annual salary of the It staff.

Conclusion: So in this case it is concluded that the Second option of Amazon is good for the company as at primary level of online sales it save the cost of the company, with this company take the advantages of Advertisement made by the Amazon for the sales of the products of the company, this will create the market for the company and the products of the company are well aware by the society. Further the Amazon is leading brand that create its good will so this advantages also get by the company. This also helpful in increase sales of the physical sales of products of the company, further the closer of some units of business is also good option at this time of Covid 19 and it is suggested that develop online sales in these areas and make the existing customers continue by online sales of products of company. When everything will be alright company may again start its counter if required otherwise online sales strategy is also good option. So it is good option for the company to opt the online sales strategy and opt the Amazon network at primary level, some factors such as lack of control of pricing, in this case the minimum price is also set by the seller, when the products of the company become popular it is automaticall/y sales at the price set by the company. In case of return some strategy also develop by the Amazon itself that no return after 7 days etc., so ties is not the big issue in this regards. So it is good to opt online sales strategy.

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