

SNS College of Technology



Coimbatore - 35

23BAT605 – FINANCIAL
STATEMENT ANALYSIS
Unit V – BUDGETING

Topic: Guess?????



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Design Thinker

1st Indian
Institution Design
to **Implement** Thinking
Curriculum

Redesigning Common Mind and
Business Towards Excellence



Let's Recap





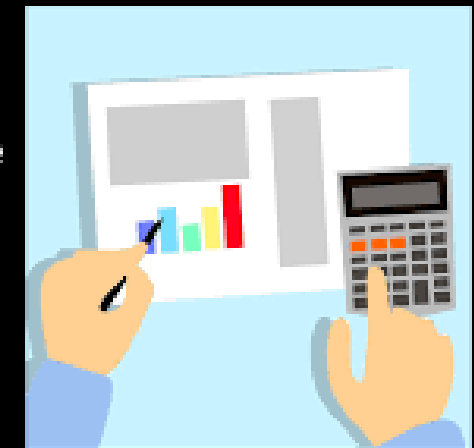
A **budget** is a detailed quantitative plan for acquiring and using financial and other resources over a specified forthcoming time period.

1. The act of preparing a budget is called **budgeting**.
2. The use of budgets to control an organization's activities is known as **budgetary control**.



What is Budget?

A budget is a quantitative plan for acquiring and using resources over a specified period.





Planning –

involves developing objectives and preparing various budgets to achieve those objectives.



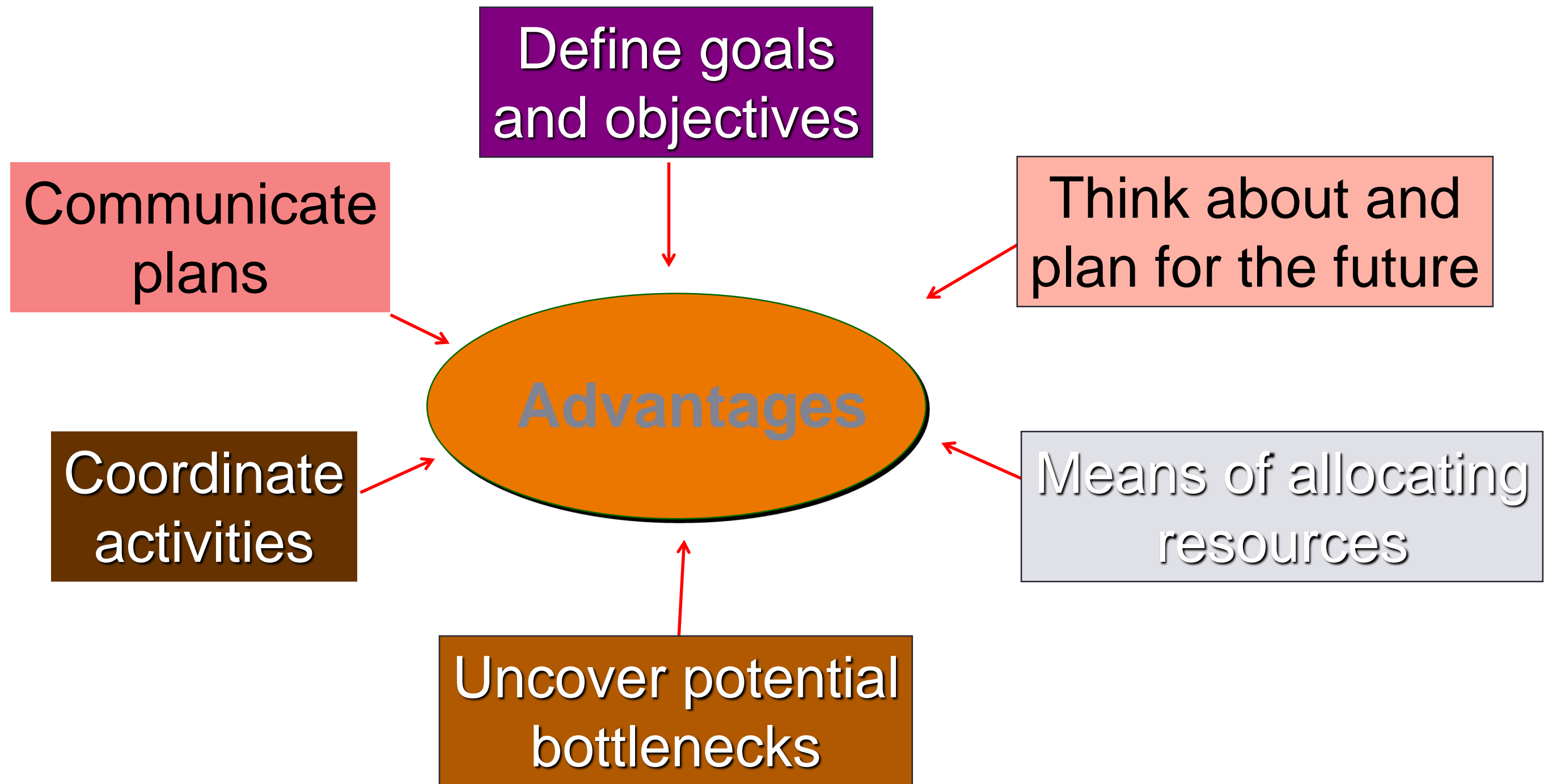
Control –

involves the steps taken by management to increase the likelihood that the objectives set down while planning are attained and that all parts of the organization are working together toward that goal.





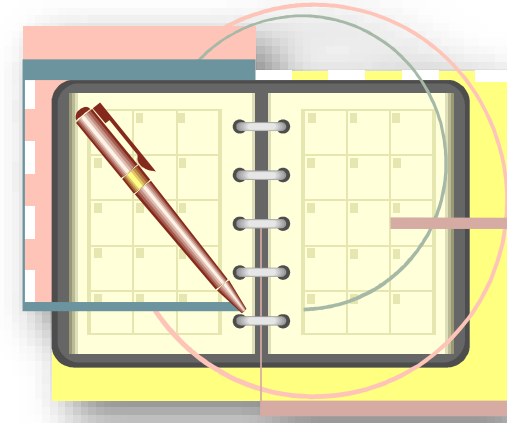
Advantages of Budgeting





Managers should be held responsible for those items - and *only* those items - that they can actually control to a significant extent.





Operating Budget

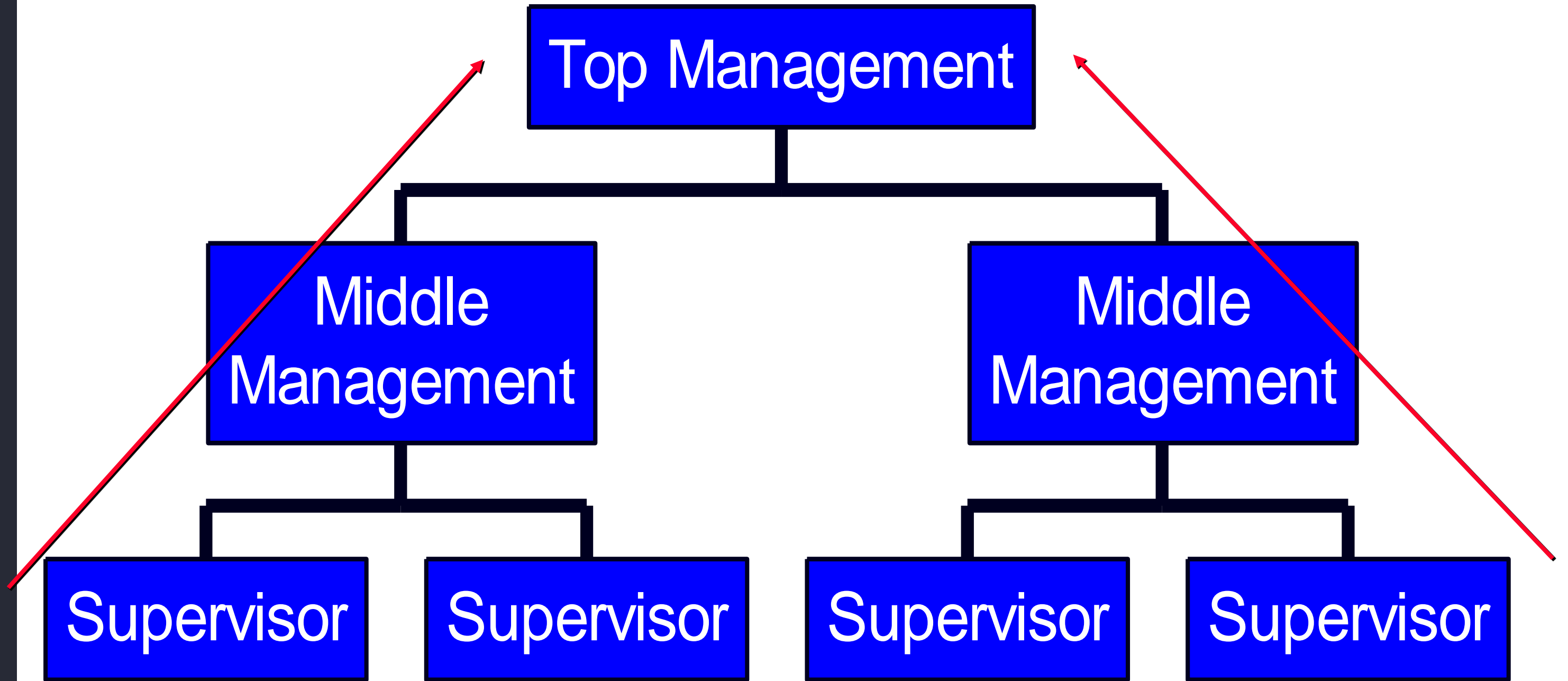


Operating budgets ordinarily cover a one-year period corresponding to a company's fiscal year. Many companies divide their annual budget into four quarters.

A continuous budget is a 12-month budget that rolls forward one month (or quarter) as the current month (or quarter) is completed.



Self-Imposed Budget



A self-imposed budget or participative budget is a budget that is prepared with the full cooperation and participation of managers at all levels.



Time for the assessment...



R&D budget and Capital expenditure budget are examples of

- a. Short-term budget
- b. Current budget
- c. Long-term budget
- d. None of the above





Budget

SUMMARY





References...

- Accounting for Management, CMA.MN Arora





Thank
you





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