



SNS College of Technology

Coimbatore - 35



23BAT605 – FINANCIAL STATEMENT
ANALYSIS
Unit V – BUDGETING

Topic: Guess?????



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1st Indian Institution to Implement Design Thinking Curriculum
Redesigning Common Mind and Business Towards Excellence



Connect these Pictures....



CLASSIFICATION





CLASSIFICATIONS OF BUDGET:

1. Classification based on function:

1c) Labour budget:

It is the forecast of *requirements of direct labour essential* to meet the production targets.





CLASSIFICATIONS OF BUDGET:

1. Classification based on function:

1d) Capital expenditure budget:

It includes all the *initial investment cost* of the organization.





CLASSIFICATIONS OF BUDGET:

1. Classification based on function:

1e) Research and development budget:

Focuses on budget required to *develop new products*.





CLASSIFICATIONS OF BUDGET:

1. Classification based on function:

1f) Profit budget:

Profit budget is also called as *master budget*.





CLASSIFICATIONS OF BUDGET:

2. Classification based on time:

2a) Long term budget:

Period of time for long term budgets are *5 to 10 years*.





CLASSIFICATIONS OF BUDGET:

2. Classification based on time:

2b) Short term budget:

Period of time for short term budgets are *less than 5 years*.





Time for the assessment...



MCQ

- ----- helps to plan and control the ***income and expenditure of the organization***





CLASSIFICATIONS OF BUDGET:

2. Classification based on time:

2c) Current budget:

Includes the budget expense for *day to day activities*.





CLASSIFICATIONS OF BUDGET:

3. Classification based on rigidity:

3a) Fixed budget:

Budget expenses that are *predefined* are called as fixed budget.





CLASSIFICATIONS OF BUDGET:

3. Classification based on rigidity:

3b) Flexible budget:

Budget expenses that *tends to vary* are called as flexible budget.





Summary

- Objectives of Budget





References...



- <https://businessjargons.com/budget.html>
- <https://www.yourarticlelibrary.com/accounting/budget-accounting/budget-meaning-features-and-its-types-accounting/65284>



Thank
you





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