

Budgeting for Profit Planning and Control Learning Objectives

After studying this course, you will be able to:

- Recognize the different types of budgets
- Identify characteristics and advantages of budgeting
- Recognize how strategic planning and budgeting are linked together
- Identify certain budget measurements
- Distinguish between short-term and long-term plans
- Identify objectives of profit planning
- Recognize metrics in the profit plan
- Recognize the major types of budget reports
- Identify the components of the budget sheet
- Identify examples of variable costs, fixed costs, and mixed costs
- Recognize two methods of developing a flexible budget formula: the high-low method and regression analysis
- Calculate fixed costs and overhead costs
- Distinguish among three types of responsibility centers
- Identify weaknesses of many cost systems
- Identify examples of financial budgets
- Recognize components of overhead
- Recognize the purpose and causes of variance analysis
- Recognize where certain variances arise
- Identify the value of performance reports
- Identify the importance of a reasonable sales budget
- Differentiate between sales planning and sale forecast
- Recognize the procedures for developing advertising budgets and some characteristics of the advertising budget

- Identify some methods of calculating advertising budgets
- Recognize fixed vs. semi-variable vs variable costs
- Understand the applicability of static budgets
- Recognize how the flexible budget formula helps develop the factory overhead budget
- Recognize items included in the budget process for general and administrative (G&A) expenses
- Identify the factors that need to be considered in R&D planning
- Identify factors in considering capital expenditures
- Recognize components of the capital expenditures budget
- Recognize the importance, attributes and components in a cash budgeting system
- Identify advantages of using “what-if” scenarios when budgeting
- Recognize the steps involved in zero-base budgeting and how often it should be conducted
- Recognize what is involved in a decision package
- Recognize the special features associated with planning and budgeting for service businesses
- Identify the unique features and characteristics of governmental and nonprofit organizations (NPOs)