

Budgeting for Profit, Planning & Control

Course Description

The course is intended for business professionals engaged in budgeting, financial planning, forecasting, profit planning, and control. A budget is the formal expression of plans, goals, and objectives of management that covers all aspects of operations for a designated time period. The budget is a tool providing targets and direction. Budgets provide control over the immediate environment, help to master the financial aspects of the job and department, and solve problems before they occur. Budgets focus on the importance of evaluating alternative actions before decisions are actually implemented. This course explains what budgets are, how they work, how to prepare and present them, and how to analyze budget figures and results. The new development and use of budgets such as rolling budgets at various managerial levels within a business are illustrated, as well as active financial planning software and e-budgeting that combine budgeting, forecasting analytics, business intelligence, and collaboration.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 11 (CPA)

Field of Study: Finance

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

Chapter 1: The What and Why of Budgeting

After reading this chapter, you should be able to:

1. Recognize the different types of budgets
2. Identify characteristics and advantages of budgeting

Chapter 2: Strategic Planning and Budgeting and Planning for Profit

After reading this chapter, you should be able to:

1. Recognize how strategic planning and budgeting are linked together
2. Identify certain budget measurements
3. Distinguish between short-term and long-term plans
4. Identify objectives of profit planning
5. Recognize metrics in the profit plan

Chapter 3: Administering the Budget: Reports, Analyses, and Evaluations

After reading this chapter, you should be able to:

1. Recognize the major types of budget reports
2. Identify the components of the budget sheet

Chapter 4: Cost Behavior: Emphasis on Flexible Budgets and Contribution Margin

After reading this chapter, you should be able to:

1. Identify examples of variable costs, fixed costs, and mixed costs
2. Recognize two methods of developing a flexible budget formula: the high-low method and regression analysis
3. Calculate fixed costs and overheard costs

Chapter 5: Responsibility Accounting and Reporting To Management

After reading this chapter, you should be able to:

1. Distinguish among three types of responsibility centers.
2. Identify weaknesses of many cost systems

Chapter 6: Master Budget: Genesis of Forecasting and Profit Planning

After reading this chapter, you should be able to:

1. Identify examples of financial budgets

Chapter 7: Using Variance Analysis to Evaluate Performance

After reading this chapter, you should be able to:

1. Recognize the purpose and causes of variance analysis
2. Recognize where certain variances arise
3. Identify the value of performance reports

Chapter 8: Budgeting Sales Forecasts, and the Sales and Marketing Budget

After reading this chapter, you should be able to:

1. Identify the importance of a reasonable sales budget
2. Differentiate between sales planning and sale forecast
3. Recognize the procedures for developing advertising budgets and some characteristics of the advertising budget
4. Identify some methods of calculating advertising budgets

Chapter 9: Budgeting Manufacturing Costs

After reading this chapter, you should be able to:

1. Recognize fixed vs. semi-variable vs variable costs
2. Understand the differences between static budgets and flexible budgets
3. Recognize how the flexible budget formula help develop the factory overhead budget

Chapter 10: Budgeting General and Administrative Expenses and R&D Costs

After reading this chapter, you should be able to:

1. Recognize items included in the budget process for general and administrative expenses
2. Identify the factors that need to be considered in R&D planning
3. Identify factors in considering capital expenditures
4. Recognize components of the capital expenditures budget

Chapter 11: Cash Flow Forecasting and Cash Budgeting

After reading this chapter, you should be able to:

1. Recognize the importance, attributes and components in a cash budgeting system
2. Identify advantages of using “what-if” scenarios when budgeting

Chapter 12: Zero-Base Budgeting: Priority Budgeting for Best Resource Allocation

After reading this chapter, you should be able to:

1. Recognize the steps involved in zero-base budgeting and how often it should be conducted
2. Recognize what is involve in a decision package

Chapter 13: Budgeting for Service Businesses and Nonprofit Organizations

After reading this chapter, you should be able to:

1. Recognize the special features associated with planning and budgeting for service businesses.
2. Identify the unique features and characteristics of governmental and nonprofit organizations (NPOs)