

# Budgeting for Profit, Planning & Control

## Course Description

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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. New developments and uses of budgets such as rolling budgets at various managerial levels within a business are illustrated 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

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### 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
2. Recognize components of overhead

## **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)