

Budgeting: A Practical Approach

Duration: 1 day

Overview:

Businesses utilise budgets and financial reports in some form or fashion every day. The goal of this course is to give the participant a basic understanding of budgets and budgeted financial reports so they can hold relevant discussions and render decisions based on financial data.

Target Audience:

Every professional involved in the preparation of budgets and forecasting would benefit from this course.

Pre-requisites:

Before attending this course, students should have attended our [Financial Management for Business Professionals](#) course, or have a firm understanding of the following topics covered in this program:

- Profit and Loss Statements
- Balance Sheets
- Cash Flow Statements
- Breaking even with a target profit
- How to use Excel to perform basic functions (add, multiply, divide, subtract)

Chapter 1: Budgeting Fundamentals

- Define budgeting and its role in achieving an organisation's goals
- Explain the benefits, limitations and issues of budgeting
- Explain the methods of budgeting
- Describe the types of budgets

Chapter 2: Forecasting and Sales Budget (Service and Trading Organisations)

- Discuss the forecasting revenue methods
- Discuss the factors affecting revenue forecasting
- Prepare sales budgets

Chapter 3: Operating Budgets

- Prepare operating budgets
- Purchases budgets
- Cost of goods sold budgets
- Operating expenses budgets
- Income statements budgets

Chapter 4: Budgeted Financial Statements

- Prepare Income Statement budgets
- Prepare Balance Sheet budgets
- Prepare Master budgets

Chapter 5: Cash Budgets

- Explain the Cash inflows and Cash outflows
- Explain the importance of Cash flow to an organisation
- Prepare payments schedule
- Prepare receipts schedule
- Prepare Cash budgets

Chapter 6: Flexible Budgets

- Distinguish between fixed, variable and Semi-variable costs
- Prepare income statements showing the contribution margin
- Formulate the flexible budget equation
- Prepare a range of flexible budgets showing expected results at a variety of levels of activity

Chapter 7: Analysis of Variances

- Discuss the importance of reviewing the of variances
- Take actions to rectify the variances
- Understand the behavioural aspects of budgeting