

FUNDAMENTALS OF BUDGETS AND BUDGETARY CONTROL

Course No	:	BUS 252
Course Title	:	FUNDAMENTALS OF BUDGETS & BUDGETARY CONTROL
Prerequisites	:	Accounting Principles (BUS 100), and Principles of Finance (BUS 204)
Course Type	:	Major - Elective
Faculty Member	:	Dr. ; Room # ; Telephone ; e-mail ;
Office Hours	:	
Class Time	:	
Lecture Class	:	

Course Objectives:

To understand and discuss how budgets fit within an organizational context. The course is designed to help understand the budget itself, how it can be managed, and the various tools, for example spreadsheets, that can be used in the budgeting process. The course also aims at equipping students who intend to major in management at four-year universities with strong foundation in Budgets and Budgetary Controls.

Course Description:

This course provides a fundamental understanding of budgeting, budgeting process and the control system. It includes a practical guide for preparing financial budgets. It covers the basics of sources of revenue, revenue and expense forecasts, the cash budget, operating budgets, capital budgeting, internal control system, and uses of budgets as a control mechanism in governmental units and business organizations

Course Outline:

1. Overview of budgeting

- The basic concepts of budget and budgeting
- Budgeting and forecasting
- Budgeting and management
- Budgeting and planning
- Budget procedures and budget administration

2. Types of budgets

- The components of operating budget like sales budget, production budget, production cost budget, ending inventory budget, cost of goods sold budget, selling expenses budget, administrative expenses budget and budgeted income statement
- The components of financial budget like capital expenditure budget, cash budget, budgeted balance sheet, and cash flow budget

3. Approaches to budgeting

- The various approaches to building budgets like-fixed budgeting approach, flexible budgeting approach, incremental budgeting approach, kaizen budgeting approach, zero base budgeting approach and others.
- The distinctive features of each approach to budgeting.

4. Preparing a budget

- The preparation of operating budgets
- The preparation of financial budgets

5. Budgetary control

- The basic concepts of budgetary control
- The process of budgetary control

Learning Outcomes:

By the end of this course, the student will be able to:

1. Describe Budgeting as a Planning and Control activity
2. Differentiate between different types of budgets
3. Understand different approaches to budgeting
4. Identify the objectives of budgeting as a financial management tool.
5. Apply the concept of internal control by the preparation and interpretation of budgets.
6. Explain what is meant by Zero-based Budgeting and demonstrate the ability to prepare budgets from given data using the technique
7. Understand the nature and purpose of budgetary control

Skills to be developed:

This course helps students in developing the following skills:

1. **Communication** (Oral & written) **Through Assignments, Case Study discussions and Examinations**
2. **Analytical** **Through Case studies and examinations**
3. **Team Work** **Through Case studies**
4. **Creative Thinking** **Through Case studies, assignments, classroom discussions**
5. **Adaptability to Change** **Through Case studies, and examinations**
6. **Ethics** **Through lectures and assignments**
7. **Use of Information Technology** **Through use of PCs, Internet, CD-ROM, Statistical data base in the library**
8. **International issues** **Through Case studies, assignments, classroom discussions, and examinations**

Evaluating Student Performance:

Class participation and attendance	10%
Individual assignments	20%
Mid-term examination	20%
Final Exam	50%

Assignment	LO1	LO2	LO3	LO4	LO5	LO6	LO7
Class participation	X	X	X	X			
Assignment				X	X	X	
Mid-term exam	X	X			X	X	X
Final exam	X	X			X	X	X

Grading:

<u>Percentage Score</u>	<u>Letter Grade</u>	<u>GPA Points</u>	<u>Percentage Score</u>	<u>Letter Grade</u>	<u>GPA Points</u>
90 - 100	A	4.0	70 - 74	C	2.0
85 - 89	B+	3.5	65 - 69	D+	1.5
80 - 84	B	3.0	60 - 64	D	1.0
75 - 79	C+	2.5	< 60	F	0.0

Educational Resources:

Educational Resources	Description	Comments
Textbooks Required	Business Budgets and Budgetary Control by Albert William Willismore	
References		
Internet Resources	Internet Resources: <i>Miscellaneous Sites</i>	
Journals		
Computers	Internet searches for obtaining information on Budgets	N/A
CD - ROM :	(CD-ROM) data base in the library + Action learning through CD Accompanying the textbook	N/A
Other Resources:	Library resources, Internet search of periodicals	N/A

Course Schedule & Outline:
Sixteen Week Semester, 3 hrs/Wk

Date	Week	Outline Syllabus	Learning Outcomes	Homework Assignments, Due dates
February 12/2-16/2	1		LO1	
February 19/2-23/2	2		LO2	
May 28/5- 31/5		General Review		