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| **BTEC Level 3 Diploma Business Unit13 Cost and Management Accounting Section C:**  **Explore budgets for**  **financial planning and**  **control** | **Road Map** | | | | | |
| In this unit you will investigate business calculations and business performance  **LG1**: Knowledge  **LG2**: Application  **LG3**: Skills | Assessment Grades |  |  | | | |
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| **Themes** | **Learning Goals/Outcomes/Content** | | |  |  |  |
| **C1 Type and purpose of budgets** | **LG1: P4** Explain how budgeting is used in a selected business for financial planning and control.  LG1: Know the importance of budgeting for operational and tactical planning by management.  LG1: Know subsidiary budgets include purchase, sales, production, debtor and creditor budget, cash budget.  LG1: Know master budgets to include profit and loss budget and budgeted statement of financial position / balance sheet.  LG1: Know that budgets are prepared to including ideal and attainable standards, fixed and flexible budgets.  LG1: Know the main purposes of budgets to include forecasting, monitoring, control, planning, coordination, communication and motivation. | | |  |  |  |
| **C3 Preparation of budgets - Subsidiary** | **LG2: P5** Prepare accurate subsidiary and master budgets in a given scenario.  LG2: use given data to create subsidiary budgets for sales, costs e.g. staffing and production  LG2: identify links between budgets and impact of changes from one to another – helps to build knowledge to support M3 | | |  |  |  |
| **C3 Preparation of budgets – Cash Budget** | **P5** Prepare accurate subsidiary and **master budgets** in a given scenario  LG2: Identify cash outflows and inflows  LG2: Calculate net cash flows  LG2: Calculate balances  LG2: Prepare cash flow forecast from given data  LG3: Analyse the impact of changes on cash flow | | |  |  |  |
| **Preparation of budgets**  Calculation and completion profit forecast and predicted balance sheet | **P5** Prepare accurate subsidiary and **master budgets** in a given scenario  LG2: Identify revenue and costs for the forecast profit statement  LG2: Calculate forecast gross and net profit  LG2: Format profit forecasts in correct layout  LG2: Produce opening and closing forested balance sheet statements showing assets, liabilities and capital | | |  |  |  |
| **C2 Usefulness of budgetary control** | **LG 1: Know the Usefulness of costings systems and budgetary control**  LG1: know Variance analysis as a way of monitoring and controlling budgets  LG1: Know the benefits and limitations of budgetary control  **LG3: M3** Assess the viability of the completed budgets in a given scenario.  **LG3: D2** Evaluate the usefulness of costing and budgetary control systems to the business. | | |  |  |  |

**Links:** In this unit, you will build on your knowledge of costing methods and standard costing, including the control methods used by cost accountants. You will learn how to prepare budgets from given data and identify the vitality and validating in helping the business to plan for the future. This build on work being done on cash flow forecasts in your unit 3 exam. You will develop on work about Capital and revenue income and expenditure including the use of depreciation. It will also link to units 3 where you will be using accounting information to identify performance measures and monitoring. In analysing the validity of budgets you will be building on the analysis of variances undertaken in report 2. This unit is assessed with internally set coursework