**North East School Division**

**Unpacking Outcomes**  
**Module 23: Budgeting for Profit Planning (Core)**

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| **Unpacking the Outcome** | | |
| Examine --> the ways budgets assist | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Examine how budgets assist in profit planning. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:  Budget  Budgeting  Budget Period  Budgeted Income Statement  Budgeted Balance Sheet | That  Planning the financial operations of a business is known as budgeting  Budgets are estimates of what will take in the future.  A budget serves three functions: Planning, Operational control and departmental co-ordination  Company goals must be built into the budget.  Budgets are based on past operations, economic information and consultation with personnel. | 1. Define the functions, goals, purposes and advantages of a budget and the budgeting process. 2. Differentiate between the concepts of planning and control when discussing budgets. 3. Identify and present the contributions of five types of budgets including sales, purchases, cost of goods manufactured, selling and administrative expense and cash to the master budget as part of the profit planning process. 4. Organize and construct a budgeted income statement and budgeted balance sheet based on budget information. 5. Differentiate and describe the variances (e.g., manager’s performance or because of production/ market/ economic conditions) between budgeted and actual data that require further investigation. 6. Compare and outline the differences between a master budget and a flexible budget using what-if questions to observe changes in net income/loss, using variations in selling price, fixed costs, variable administration expense. |
| **ESSENTIAL QUESTIONS** | | |
| What are all the factors that contribute to an accurate budget. | | |