

Assessment – 1 - Prepare budgets

Student Name:	
Student ID No:	

Performance objective

For this task you are required to respond to a range of prompt questions that examine your understanding of key legislative and financial management requirements for a case study organisation. This assessment also requires you to review available financial information and establish a budget for the organisation.

Assessment description

This assessment requires you to assume the role of Business Manager for Houzit Pty Ltd, use the information provided in the case study, determine the requirements to undertake budgeting, financial forecasting and reporting requirements for an organisation. You will also need to review the case study provided and prepare a budget (in electronic spreadsheet format) and budget notes for distribution and implementation in the organisation.

Assessment instructions

1. Read the case study.
2. Analyse the case study information and respond to the questions in the space provided.
3. Assume you have been appointed as the Business Manager of Houzit Pty Ltd. Jim Schneider, the CEO, has asked you to prepare some financial budgets for the 2013/14 financial year as a preliminary overview of the financial year ahead. Analyse the case study information (including business plan summary and previous financial data) and prepare the following.
 - a. Develop a sales budget, profit budget, cash flow budget and debtor ageing summary using electronic spreadsheets (as separate worksheets) making sure each budget is divided into quarterly periods and that you use previous financial data to determine allocations for resources.

Ensure each budget you prepare complies with the statutory requirements and organisational policies and procedures as provided.
 - b. Develop budget notes which include:
 - i. identification of reasons for previous profits and losses
 - ii. your comment on the effectiveness of existing financial management approaches
 - iii. all assumptions and basis that have been made or used to form budgets
 - iv. any relevant notes regarding implementation and monitoring of budget expenditure.
4. Once the budget is prepared, circulate it to the CEO (Assessor) and communicate information regarding the budget and answer a series of prompt questions in written or oral form as agreed with your assessor.