

Assessment 2 - Monitor and review budget

Student Name:	
Student ID No:	

Performance objective

This Assessment Task requires you to monitor the implementation of a budget and report on the variances, trends and performance of the established budget for a fictional business and provide recommendations for ongoing financial viability.

Assessment description

As a Business Manager of Houzit Pty Ltd, you will need to review the provided current case study information and compare it to the budget you established in Assessment Task 1. After evaluating these you will need to report on the following:

- significant issues
- variances from budget
- comparative performances
- recommendations for ongoing financial viability
- evaluation of financial management processes.

Assessment Instructions: -

1. Read the case study.
2. Develop a variance report based on the format and template provided by Houzit.
3. Complete a cash flow analysis on the average length of time it takes Houzit to collect funds from its debtors to determine the trend based on the financial reports in Assessment Task 1.
4. As a Business Manager of Houzit Pty Ltd, you are now required to review the sales budget, profit budget, cash flow budget and debtor ageing summary with actual information presented in the case study to identify the following:
 - a. Issues:
 - i. Identify, describe and prioritise significant issues that are evidenced in the provided case study information and describe reasons or causes of these issues. Include in this issues of financial probity that you have identified or considered when monitoring these budgets.
 - b. Variances:
 - i. Complete an actual-to-budget variance report, using the template provided in the case study.
 - ii. Identify variances by comparing actual results with the established budget, and provide reasons why these variances may have occurred.
 - c. Performance: