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Setting Realistic Budgets and Planning for Contingencies

Score: \_\_\_\_\_

1. Which of these is not a key component of a budget?

- A Fixed costs
- B Variable costs
- C Semi-variable costs
- D Income
- E Variance

2. Managers should not focus on identifying timescales, priorities and financial resources when preparing a budget?

- A True
- B False

3. The main budget for the whole company is often called?

- A Big
- B Company budget
- C Major
- D Master

4. What information could be used within your organisation for budget setting?

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5. Accurate budgeting and forecasting helps to make sure that there will be enough revenue to cover all expenditure and leave enough money to make a profit?

- A True
- B False

6. Explain the purpose of contingency planning?

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7. Fixed costs change?

A True

B False

8. Variable costs change?

A True

B False

9. Why is accurate budget forecasting important to a company?

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