

| COURSE TITLE   |  | BUDGETING                          |   |         |           |            |  |
|--|--|------------------------------------|---|---------|-----------|------------|--|
| Course code  | DRF023   | Year of study                      | II  |         |           |            |  |
| Lecturer(s)  | Jelena Vidović PhD college professor   | ECTS (Number of credits allocated) | 6   |         |           |            |  |
| Associates   | /  | Total lesson hours per semester    | Lecture   | Seminar | Practical | Laboratory |  |
|  |  |                                    | 30  | 15      | 15        |            |  |
| Course status  | Compulsory   | Percentage share of e-learning     | 30%   |         |           |            |  |
| COURSE DESCRIPTION   |  |                                    |   |         |           |            |  |
| Course Objectives  | <ul style="list-style-type: none"><li>Explain the role of budgeting in firm management, define elements of budget and describe the steps of preparing a master budget.</li><li>Prepare an operating budget, cash budget, projection of financial statements, flexible budget and capital budget.</li><li>Use computer tools in budget preparation.</li></ul>   |                                    |   |         |           |            |  |
| Course enrolment requirements and entry competencies required for the course                 | /  |                                    |   |         |           |            |  |
| Learning outcomes<br><br>On successful completion of this course, student should be able to: | <ol style="list-style-type: none"><li>Explain budgeting and the difference between budgeting and control.</li><li>Differentiate single elements of master budget.</li><li>Prepare sales budget, production budget, direct materials budget, overhead budget and distributive and administrative expenses budget.</li><li>Connect individual operating budgets for the purpose of preparation of cash budget, budgeted income statement and budgeted balance sheet.</li><li>Explain the advantages of flexible budget.</li><li>Apply the knowledge from the field of budgeting in budget preparation using computer tools.</li><li>Analyze variances between budgeted and realised figures.</li></ol> |                                    |   |         |           |            |  |
| Course content   | 1  | L (2 hours)                        | Introduction lecture – term budget              |         |           |            |  |
|  |  | P (2 hours)                        | Definition of budget                            |         |           |            |  |
|  | 2  | L (2 hours)                        | Role of budgeting in firm management            |         |           |            |  |
|  |  | P (2 hours)                        | Types of budget                                 |         |           |            |  |
|  | 3  | L (2 hours)                        | Sales forecast and sales budget                 |         |           |            |  |
|  |  | P (2 hours)                        | Sales budget                                    |         |           |            |  |
|  | 4  | L (2 hours)                        | Production budget                               |         |           |            |  |
|  |  | P (2 hours)                        | Production budget                               |         |           |            |  |
|  | 5  | L (2 hours)                        | Direct materials budget                         |         |           |            |  |
|  |  | P (2 hours)                        | Labour budget                                   |         |           |            |  |
|  | 6  | L (2 hours)                        | Overhead budget                                 |         |           |            |  |
|  |  | P (2 hours)                        | Overhead budget                                 |         |           |            |  |
|  | 7  | L (2 hours)                        | Distributive and administrative expenses budget |         |           |            |  |
|  |  | P (2 hours)                        | Cost of goods sold budget                       |         |           |            |  |

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|   | 8   | L (2 hours)                           | Budgeted income statement                   |   |  |     |
|   |   | P (2 hours)                           | First mid-term exam                         |   |  |     |
|   |   | S (1 hour)                            | Seminar papers                              |   |  |     |
|   | 9   | L (2 hours)                           | Budgetary control and variance analysis     |   |  |     |
|   |   | S (2 hours)                           | Seminar papers                              |   |  |     |
|   | 10  | L (2 hours)                           | Cash budget                                 |   |  |     |
|   |   | S (2 hours)                           | Seminar papers                              |   |  |     |
|   | 11  | L (2 hours)                           | Budgeted balance sheet                      |   |  |     |
|   |   | S (2 hours)                           | Seminar papers                              |   |  |     |
|   | 12  | L (2 hours)                           | Zero and flexible budget                    |   |  |     |
|   |   | S (2 hours)                           | Seminar papers                              |   |  |     |
|   | 13  | L (2 hours)                           | Master budget                               |   |  |     |
|   |   | S(2 hours)                            | Seminar papers                              |   |  |     |
|   | 14  | L (2 hours)                           | Master budget                               |   |  |     |
|   |   | S (2 hours)                           | Seminar papers                              |   |  |     |
|   | 15  | L (2 hours)                           | Using computer tools in budget preparation. |   |  |     |
|   | S (2 hours)   | Seminar papers / second mid-term exam |   |   |  |     |
| Types of teaching:  | <input checked="" type="checkbox"/> lecture<br><input checked="" type="checkbox"/> seminars and workshop<br><input checked="" type="checkbox"/> practical<br><input type="checkbox"/> combined e-learning<br><input type="checkbox"/> field research  |                                       |   | <input checked="" type="checkbox"/> self-study<br><input type="checkbox"/> multimedia<br><input type="checkbox"/> laboratory<br><input checked="" type="checkbox"/> mentoring work<br><input type="checkbox"/> (others) |  |     |
| Student obligations   | Preparation of seminar paper in excel.<br>Presentation of seminar paper.<br>Required class attendance at lectures and practical classes is minimum 70% of planned classes (for part-time students required attendance is 50%).  |                                       |   |   |  |     |
| Monitoring student work (enter the share in ECTS credits for each activity so that the total number of ECTS credits corresponds to the credit value of the course): | Class attendance  | 1                                     | Research                                    |   | Practical work                               |     |
|   | Experimental work   |                                       | Report                                      |   | Practical classes in excel                   | 0,5 |
|   | Essay   |                                       | Seminar                                     |   | Seminar classes                              | 0,5 |
|   | Self-study  |                                       | Workshop                                    |   | Preparation and presentaion of seminar paper | 1,5 |
|   | Project   |                                       | Mid-term exams and final exam               | 2 (2)   | Office hours                                 | 0,5 |
| Assessment and evaluation of student work during classes and at the final exam  | Final grade is formed after final exam for students who passed both two mid-term exams (A3 and A4), prepared and presented seminar paper (A1) and met minimum attendance requirements (A2). Exam in not passed if both two mid-term exams were not passed and if seminar paper is not prepared and presented.<br>$Grade (\%) = 0,2(A_1 + A_2) + 0,3(A_3 + A_4)$<br>Final grade is related to number of realised points:<br>50-61 - sufficient (2)<br>62-74 - good (3) |                                       |   |   |  |     |

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|---|---|
|   | 75-87 - very good (4)<br>88-100 – excellent (5)   |
| Required reading  | 1. Vidović, J.: Budžetiranje- manuscript and excel tables for practical classes in excel, working materials for students of University Department of Professional Studies   |
| Optional reading  | 1. Financial Planning Using Excel - Forecasting, Planning and Budgeting Techniques, CIMA Publishing 2005.   |
| Quality monitoring to ensure the acquisition of established learning outcomes | <ul style="list-style-type: none"> <li>• Records of class attendance and success in performing student obligations</li> <li>• Updating detailed course curricula</li> <li>• Supervision of teaching activities</li> <li>• Continuous quality control of all parameters of the teaching process in accordance with the Action Plans</li> <li>• Semester-based student survey in accordance with the "Ordinance on the procedure of student evaluation of teaching work at the University of Split" (UNIST, Centre for Quality Improvement).</li> </ul> |
| Other information   | /   |