

Errata

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Title: BSBFIM501 Manage budgets and financial plans

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Attachments
NEW p. 160: BSBFIM501 Manage budgets and financial plans

Please use the attached page to replace erroneous page in the above resource.

Aspire Learning Resources

Instructions to the candidate

You will need to access the following BizOps Enterprises documents:

- Company business plan
- Organisation operational plan
- Budgeting and financial planning procedures

See the 'Resources required' section for how to access these.

Complete the following tasks. Submit your responses in documents that are appropriate for each task.

1. Access and read the company business plan. Note the business goals that are listed to maintain financial stability. Put the financial information into a spreadsheet and prepare a histogram that clearly shows the financial plan for the next five years. Use the histogram and the supporting dot-points from the business plan to prepare a one-page document promoting the direction that our future budgets will need to take.
2. Complete this task, referring to the relevant documents.
 - Access and read the organisation operational plan. This plan outlines two operational strategies that the retail outlets will be using to achieve a 15 per cent increase in sales over the next financial year. The retail outlet managers are quite capable of adding 15 per cent to come up with a new budget figure; however, this information will have little relevance to the sales staff in terms of how they will achieve the increase in sales.
 - Prepare an example spreadsheet to demonstrate to the sales team how the revised sales budget should be built from the bottom up based on sales quantities and current consumer trends. The table provided in the previous section details the sales from the last quarter for one store. Additional sales data shows that:
 - Zings are expecting a 20 per cent fall in demand
 - Pings are being removed from sale
 - Hools are likely to be fashionable, so a 50 per cent increase in sales is expected.

The new sales target for the next quarter for the store detailed is \$4,542,673 (a 15 per cent increase in total sales from the last quarter). Use the additional sales data above, to create a revised budget. You will also need to calculate a sales increase for the other four products (Wigdets, Zacs, Nocs and Beels) and explain how you determined these figures. Use formulae in your sample spreadsheet.
3. Prepare a short briefing paper for the retail outlet managers that justifies why senior management want the budget built up from expected sales demand rather than simply increasing previous figures by a fixed percentage. Your brief should highlight the benefits of this approach to people at all levels in BizOps Enterprises who manage budgets and financial plans.
4. The organisation operational plan indicates that there is a marketing allocation of \$3,000,000 for the whole organisation to help achieve the sales targets. There is a risk that Hools may only sell with a 30 per cent increase in volume over the next quarter and that a sales promotion may be required. Using the example you prepared for task 2, prepare an example of a contingency budget (for the single store) to include a Hools sale for the final month of the quarter. Budget for Hools to increase their unit sales for that month by 60 per cent if a \$30,000 advertising program is run in combination with a sales price equating to a 10 per cent reduction from normal retail price. The revised target for the quarter (\$4,542,673) still needs to be reached.