Syllabus

Subject: Budget planning and control

Courses: 4º

Degree: TSDMK

Academic year 2012/2013

<table>
<thead>
<tr>
<th>Teachers:</th>
<th>Jaime Navarro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of classes and year:</td>
<td>2º Quatrimestre 2013</td>
</tr>
<tr>
<td>Type of course:</td>
<td>BT Basic Training,</td>
</tr>
<tr>
<td>Language in which the course will be taught:</td>
<td>English</td>
</tr>
<tr>
<td>No. Of credits:</td>
<td>3</td>
</tr>
<tr>
<td>Hours per week:</td>
<td>2</td>
</tr>
</tbody>
</table>

Department

Finance
# INDEX

<table>
<thead>
<tr>
<th>Content</th>
<th>page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TEACHERS´ CONTACT DETAILS</td>
<td>3</td>
</tr>
<tr>
<td>2. DESCRIPTION OF THE SUBJECT</td>
<td>3</td>
</tr>
<tr>
<td>3. SUBJECT AIMS</td>
<td>3</td>
</tr>
<tr>
<td>4. SKILLS</td>
<td>4</td>
</tr>
<tr>
<td>5. METHODOLOGY</td>
<td>4</td>
</tr>
<tr>
<td>6. RESOURCE MATERIA</td>
<td>4</td>
</tr>
<tr>
<td>7. PRACTICAL COURSEWORK</td>
<td>5</td>
</tr>
<tr>
<td>8. EVALUATION PROCESS</td>
<td>6</td>
</tr>
<tr>
<td>A. ATTENDANCE</td>
<td>6</td>
</tr>
<tr>
<td>B. IN CLASS TESTS</td>
<td>6</td>
</tr>
<tr>
<td>C. MANDATORY COURSEWORK</td>
<td>6</td>
</tr>
<tr>
<td>D. OTHER COURSEWORK</td>
<td>6</td>
</tr>
<tr>
<td>E. FINAL EXAM</td>
<td>7</td>
</tr>
<tr>
<td>9. SUBJECT PROGRAM</td>
<td>7</td>
</tr>
<tr>
<td>A. COURSE DETAIL</td>
<td>7</td>
</tr>
<tr>
<td>B. COURSE DEVELOPMENT</td>
<td>8</td>
</tr>
</tbody>
</table>
COURSE SYLLABUS

10. RECOMMENDED READING ........................................ 9

A. MANDATORY READING ................................................. 9

B. FURTHER READING ..................................................... 9

C. ONLINE SUPPORT MATERIAL ...................................... 9
COURSE SYLLABUS

1. Teachers´ Contact details:
   Jaime Navarro
   Jaime.navarro@esic.edu

2. Description of the subject

Throughout this course we will be dealing with different matters that already have been taught. All of these topics will be put together in a number of techniques that will allow us to fulfill a budget process of a company, its control and its analysis.

These matters are part of the normal procedure of a company. This course is fundamental for the implementation of the strategic plan, the organizational arrangement of the company and the way in which it reacts to market opportunities and market threats.

It is fundamentally a numerical course. It reflects, in numbers, the will of the company, without detriment to those general concepts that drive the management process and behavior of the company.

3. Subject Aims

At the end of the course the alumni will be able to:

- Analyze past behavior based on the yearly general accounts of a company.
- Perform a forecast based on sound economic and financial criteria.
- Draw from them functional budgets.
- Control and understand the observed deviations.
COURSE SYLLABUS

4. Skills

You will need to, successfully accomplish course requirement:

- Use a spreadsheet program with an intermediate knowledge requirement.
- Be based in statistical analysis, as well as micro-economics.
- We will use macro-economic concepts for economic cycle identification.
- Be able to calculate implicit interest rates in regards to the financial planning requirement.

5. Methodology

The teacher will use its schedule classes to explain a theoretical part of the course as a review of those courses already taken by the alumni. The major part of the class will be dedicated to solving small numerical exercises in respect to the part of the course being treated.

A final class review will be allowed in order for the teacher to estimate the level of understanding of the exercise that has been done.

The alumni will be required to solve the exercises that the teacher will indicate as well as the readings and make these handing these back to the teacher for evaluation through the same resource.

6. Support material and resources

During the course we will use the class projector, the computer and from time to time, as required, we will use the computer classroom.

The presentations will be previously available in the intranet as well as the class exercise through the intranet of the school.
7. Practical Coursework

As mentioned previously, the student will be required to:

- Solve the exercises handed out per topic as the course develops.
- Write down his/hers conclusions on the proposed subject readings.
- Perform through a short essay the subject review question.
8. Evaluation Process

a. Attendance

The attendance is considered necessary to understand and fully comprehend all of the material given by the teacher. In this sense, Class attendance is mandatory. Even to those students who repeat the course.

The control of attendance and its exemptions follow the standard rules and regulations of the school.

b. Mandatory Coursework

The student will be required to solve the exercises included in the course program in order to assess the level of skills and understanding that the student has acquired. These exercises will be graded in a scale of 4-10 having a minimum grade of 4 by handing in the exercise regardless of the correct or wrong performance.

The student is thoroughly encouraged to use these exercises as a tutorial resource from the teacher. In summary the student will be asked to:

1- Perform practical exercises
2- Suggested readings
3- Review question

The compounded average obtained will weight 60% of the final grade obtained in the course.

This course work is also required for those students that repeat the course.

c. Other Coursework

There will be no other course work required.

d. Class participation

Since class participation is mandatory, class participation is awarded with a final one eighth of a point to the final grade. This award is entirely subjective and based on the teacher’s appreciation. The student will be asked from time to time to answer question reason his opinions and perform voluntary work during the class.
e. Final Exam

The final exam must be performed by all of the students. There will be no exemption aside from those contemplated by school regulations.

It will consist of a practical spreadsheet exercise of complete budget problem.

The school administration will schedule the exam to be performed in the computer classroom.

It will be graded on a scale of 0-10, and it will contribute to the final score with a 40% weight on the grade.

Thus final grade will be computed as follows:

0.6 * (Exercise + Reading + Review question) + 0.4 *(Final exam +/- attendance premium + class participation premium)

9. Subject Program

a. Course Detail

TOPIC I: GENERAL CONCEPT OF BUDGET CONTROL

Fundamentals of controlling activity

Principals of efficiency in the control process

TOPIC II: OPERATIONAL BUDGET

The budgetary process

Sales Budget

Administrative budget

Working capital Budget

Capital expenditure budget

Flexibility and uncertainty (risk)

Anual account forecasting
COURSE SYLLABUS

TOPIC III. CONTROL AND ANALYSIS OF DEVIATIONS

Deviations in sales
Production.
Administrative expenses
Analysis and reporting of deviations

TEMA IV OPERATIONAL CONTROL

Recognizing KPI (Key profit indicators)
Value drivers of the organization

TEMA V. MANAGEMENT INFORMATION SYSTEM REPORTING

Introduction to General corporate scoreboard

b. Course Development

As programmed by the school curriculum
10. Support Reading

a. Reading

1. Strategic business forecasting: Jae K. Shim; S.S Mubarak & Brothers LTD. or similar editions

2. Cash Flow Forecasting: Andrew Fight; Essential Capital Markets
   ISBN-10: 0-7506-6136-4

3. Principles of corporate Finance: Brealey Myers; McGraw-Hill
   ISBN-10: 0-7506-11514-3

4. Control de la gestión empresarial: Juan Pérez-Carballe; ESIC edit.
   ISBN: 9788-47356-527

b. Further Reading

As proposed by the teacher during the development of the course.

c. Online Support Material

None for the time being.