Exercise

# Business Budgeting

Match the term with the best definition that applies in the context of business budgeting. Portions of some definitions may apply to multiple terms. Use the term that best matches the complete definition. Each term and definition will only be used once.

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| Definition |  | Term |
| 1 | A budgeting approach of cycling between budgets created by senior management and line management until the two are reconciled.  |  | A | Bottom Up |
| 2 | A business budgeting approach where the senior manager or owner decides on all entries in the budget unilaterally.  |  | B | Budget |
| 3 | An annual budget representing business operations including sales and spending plans. |  | C | Estimate |
| 4 | A business budgeting approach that relies on input from individuals and line managers to create the budget. |  | D | Extrapolation |
| 5 | The goals and plans that business management will use for creating and approving the business budget. |  | E | Golden Rule |
| 6 | A financial plan that is used to estimate the results of future operations.  |  | F | Management Intent |
| 7 | A business budgeting approach that relies on guesses. |  | G | Op Plan |
| 8 | A business budgeting approach that requires support and justification for every item before it is included in the budget. |  | H | Plan |
| 9 | A forecast of future financial results or performance. |  | I | SWAG |
| 10 | A business budgeting approach that relies on senior management creating a budget based upon the implementation of the strategy. |  | J | TD – BU – TD |
| 11 | The intended approach for reacting to a business problem or to operate the business throughout a scenario. |  | K | Top Down |
| 12 | A business budgeting approach that uses the previous year’s budget or actual spending and applies factors based upon assumptions about future operations.  |  | L | Zero Based Budgeting |