

Budgetary Control



(g) Explain **two** disadvantages to a business of operating a system of budgetary control.

1

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2

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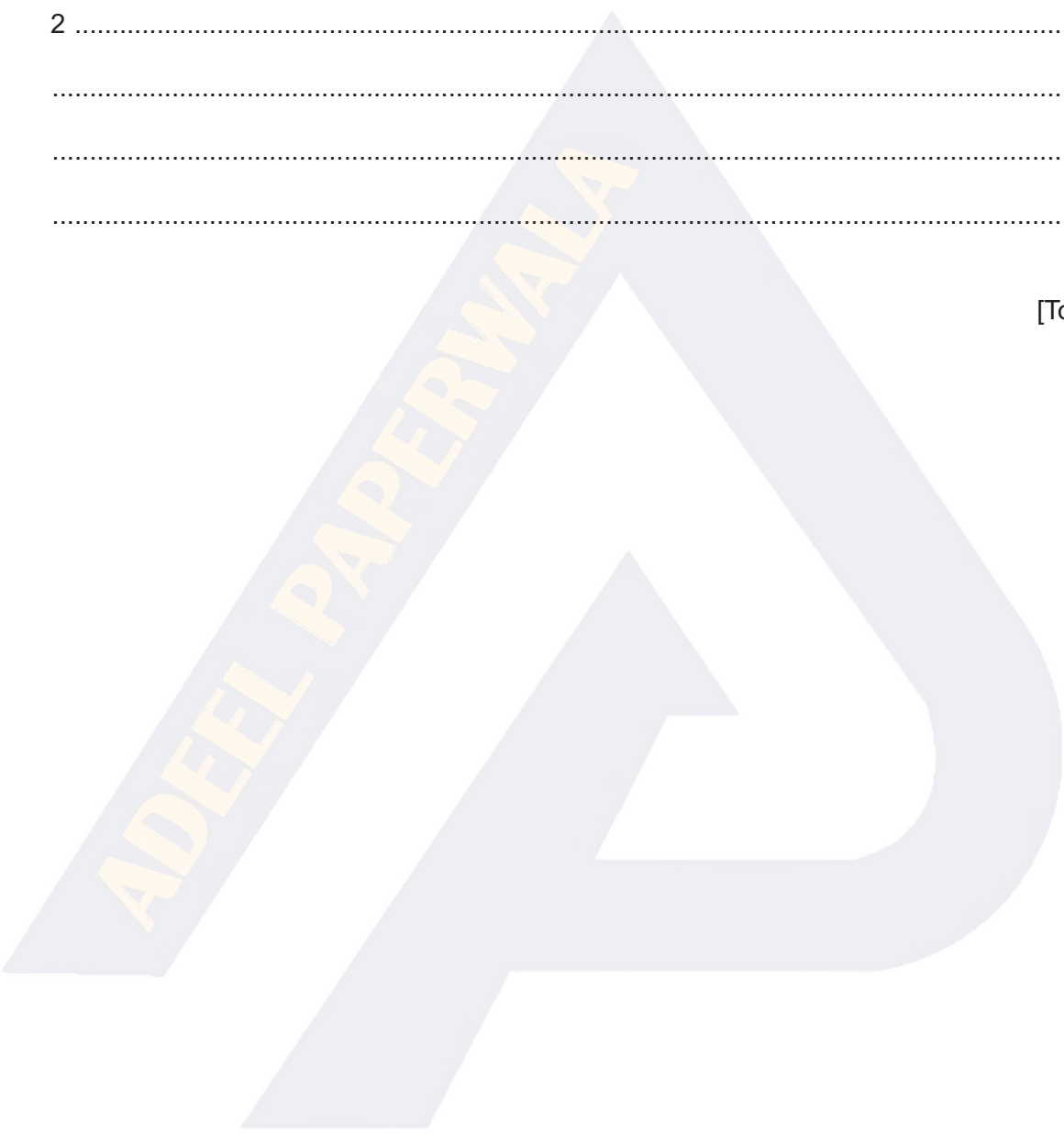
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[4]

[Total: 30]



- 4 DL Limited will soon be introducing a system of budgetary control. The directors are aware that this should provide a number of advantages. However, they are not sure how budgetary control will affect the company's departmental managers.

REQUIRED

- (a) Explain **three** ways in which the introduction of a system of budgetary control will affect the departmental managers of a business.

1

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2

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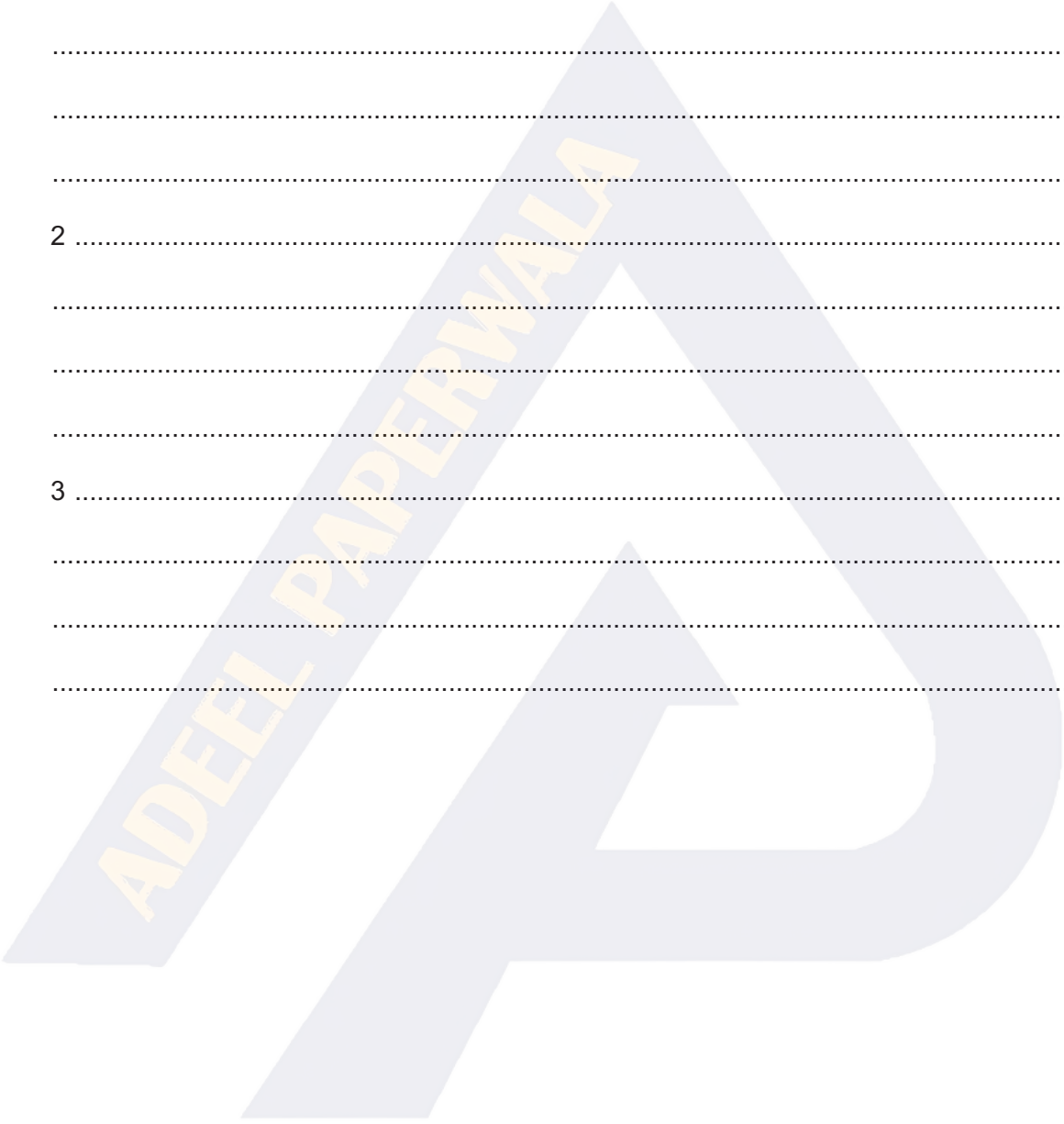
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3

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Additional information

A company has recently employed a new assistant accountant with only limited knowledge of budgetary control procedures.

REQUIRED

(f) State **two** benefits to a company of operating a system of budgetary control.

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2

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..... [2]

(g) State **two** limitations to a company of operating a system of budgetary control.

1

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2

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..... [2]

[Total: 30]

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