

ACCCB/543 Competency 2 Assessment and Rubric

Course Title: Managerial Accounting and Legal Aspects of Business

Competency Assessment Title: Flexible Budget

Assignment Directions

Review the scenario and complete the activity below. This scenario can also be found in the “Problems – Series A” section 8-19A of Ch. 8, “Performance Evaluation,” of *Fundamental Managerial Accounting Concepts*.

Use Excel®—showing all work and formulas—to complete the following:

- Prepare a flexible budget.
- Compute the sales volume variance and the variable cost volume variances based on a comparison between the master budget and the flexible budget.
- Compute flexible budget variances by comparing the flexible budget with the actual results.

Mr. Snow was extremely upset with the budget deficit. He immediately called you, the treasurer, to complain about the budget variance for the meal cost. He told you that the added dessert caused the meal cost to be \$4,810 (\$25,110 - \$20,300) over budget. He added, “I could expect a couple hundred dollars one way or the other, but several thousand is totally unacceptable. At the next budget meeting of the budget committee, I want you to explain what happened.”

Create a 6- to 8-slide presentation for the budget committee meeting showing your findings and recommendations from your computations.

Complete the following in your presentation:

- Summarize the results of the sales volume and variable cost volume variances computations based on the comparison between the master budget and the flexible budget.
- Summarize the results of the flexible budget variances computations based on the comparison between the flexible budget and the actual results.
- Justify the favorable or unfavorable budget variances.
- Since this is a not-for-profit organization, address why anyone should be concerned with meeting the budget.
- Make recommendations for what can be done differently to stay on budget for future luncheons. Provide specific examples to support your recommendations.
- Include detailed speaker notes.

Competency Assessment Rubric

Assignment/Performance Criteria	Mastery 100%	Meets Expectations 85%	Not Met 0%
1. Flexible Budget (weight 15%)	Created a flexible budget in Excel, showing all work and formulas, and all calculations are correct.	Created a flexible budget in Excel, showing most work and formulas, and most calculations are correct.	Created a flexible budget in Excel, showing minimal work and formulas, and some calculations are correct or did not create a flexible budget.
2. Sales Volume and Cost Volume Variances (weight 15%)	In Excel, all components of the computations of the sales volume and variable cost volume variances based on a comparison between the master budget and the flexible budget were correct.	In Excel, most components of the computations of the sales volume and variable cost volume variances based on a comparison between the master budget and the flexible budget were correct.	In Excel, some components of the computations of the sales volume and variable cost volume variances based on a comparison between the master budget and the flexible budget were correct did not compute the sales volume and variable cost volume variances based on a comparison between the master budget and the flexible budget.
3. Flexible Budget Variance (weight 15%)	In Excel, computation of flexible budget variances based on comparison between the flexible budget with the actual results was completely correct.	In Excel, computation of flexible budget variances based on comparison between the flexible budget with the actual results was mostly correct.	In Excel, computation of flexible budget variances based on comparison between the flexible budget with the actual results was somewhat correct or did not compute flexible budget variances based on comparison between the flexible budget with the actual results.
4. Results: Sales Volume and Variable Cost Volume Variances (weight 10%)	Thoroughly summarized the results of the sales volume and variable cost volume variances computations based on a comparison between the master budget and flexible budget from a creative and innovative perspective.	Partially summarized the results of the sales volume and variable cost volume variances computations based on a comparison between the master budget and flexible budget.	Narrowly summarized the results of the sales volume and variable cost volume variances computations based on a comparison between the master budget and flexible budget or did not summarize the results of the sales volume and variable cost volume variances computations based on a comparison between the master budget and flexible budget.

Assignment/Performance Criteria	Mastery 100%	Meets Expectations 85%	Not Met 0%
5. Results: Flexible Budget Variances (weight 10%)	Thoroughly summarized the results of the flexible budget variances computations based on a comparison between the flexible budget and actual results from a creative and innovative perspective.	Partially summarized the results of the flexible budget variances computations based on a comparison between the flexible budget and actual results.	Narrowly summarized the results of the flexible budget variances computations based on a comparison between the flexible budget and actual results or did not summarize the results of the flexible budget variances computations based on a comparison between the flexible budget and actual result.
6. Justified Budget Variances (weight 10%)	Thoroughly justified the favorable or unfavorable budget variances from a creative and innovative perspective.	Partially justified the favorable or unfavorable budget variances.	Narrowly justified the favorable or unfavorable budget variances or did not justify the favorable or unfavorable budget variances.
7. Meeting the Budget (weight 10%)	Thoroughly discussed why someone should be concerned with a not-for-profit organization meeting the budget from a creative and innovative perspective.	Partially discussed why someone should be concerned with a not-for-profit organization meeting the budget.	Narrowly discussed why someone should be concerned with a not-for-profit organization meeting the budget or did not discuss why someone should be concerned with a not-for-profit organization meeting the budget.
8. Recommendations (weight 15%)	Provided thorough, creative, and innovative recommendations for staying on and supported all recommendations with examples.	Provided partial recommendations for staying on budget and supported most recommendations with examples.	Provided narrow recommendations for staying on budget and supported some recommendations with examples or did not provide recommendations for staying on budget.