
1.12

Using Skill for Business

Analysing a budget

Learning Outcome Notes

LO 1.12 - Prepare and analyse a budget, determine the financial position, recommend appropriate action and present the analysis in tabular and graphic formats.

1.12

Using Skill for Business

Analysing a budget

Past Exam Questions and Answers

NOTE - Very Important

It is very important when answering exams question that you use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information form the learning outcome
3. That you can apply the information form the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the Question

QUESTIONS

2022 - Question 13

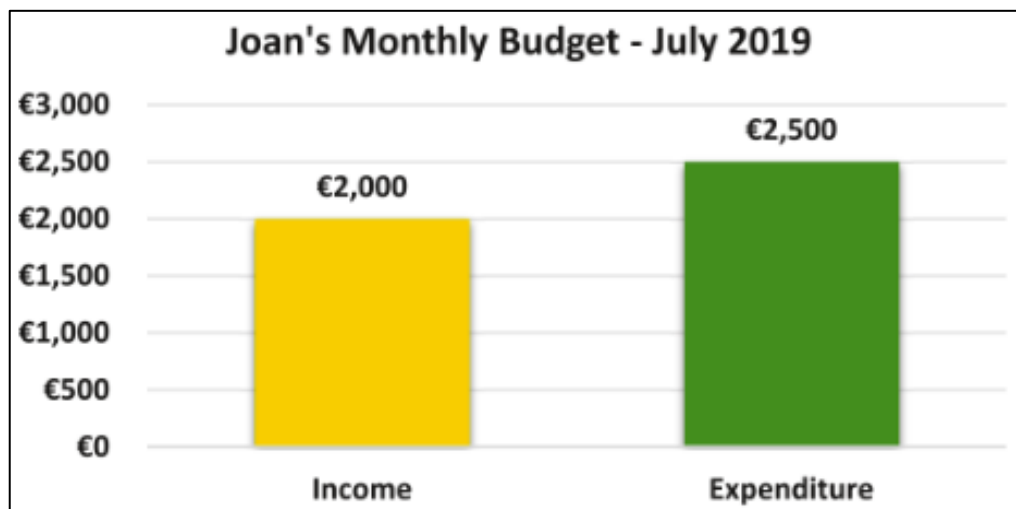
Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net Cash	150	(300)	(150)	(300)
Opening Cash	210	360		210
Closing Cash		60		

Working

2019 - Question 1

The graph below shows Joan Murphy's monthly Budget.



- (i) Calculate the difference between Joan's Income and expenditure. State if it's a Surplus / Deficit

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(ii) What advice would you give Joan based on you answers

2019 - Sample Paper - Question 14

Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net Cash	520	(300)	450	670
Opening Cash	375	895		375
Closing Cash		595		

Working

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SUGGESTED SOLUTION

2022 - Question 13

Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net Cash	150	(300)	(150)	(300)
Opening Cash	210	360	60	210
Closing Cash	360	60	(90)	(90)

Workings

July	September	Total
150	(150)	(300)
<u>+210</u>	<u>60</u>	<u>210</u>
360	(90)	(90)

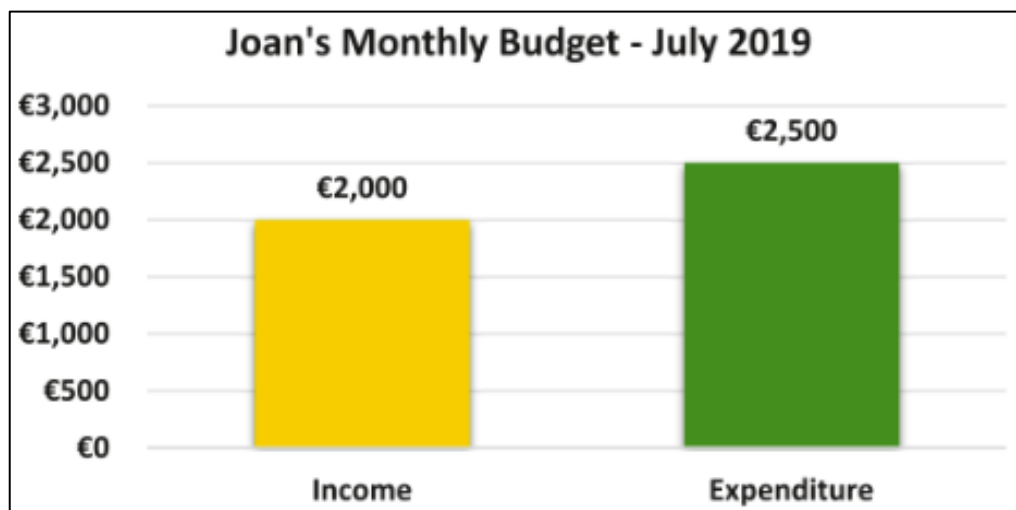
Remember

Closing Figure for one month is the opening figure for the next (Closing cash August 60 and Opening cash September (60))

The closing cash for September and the total columns should be the same (90)

2019 - Question 1

The graph below shows Joan Murphy's monthly Budget.



- (i) Calculate the difference between Joan's Income and expenditure. State if it's a Surplus / Deficit

Income - Expenditure €2,000 - €2,500 (€500) (€500) - Deficit

- (ii) What advice would you give Joan based on your answers

Reduce Expenses - The first step that Joan needs to do to deal with the deficit is to reduce expenses. She must consider cutting back on discretionary spending, such as dining out, entertainment, or travel. She can also look for ways to reduce fixed and irregular expenses, such as renegotiating bills or shopping for deals.

2019 - Sample Paper - Question 14

Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net Cash	520	(300)	450	670
Opening Cash	375	895	595	375
Closing Cash	875	595	1,045	1,045

Working

July	September	Total
520	450	670
<u>+375</u>	<u>595</u>	<u>375</u>
875	1,045	1,045

Remember

Closing Figure for one month is the opening figure for the next (Closing cash August 595 and Opening cash September 595)

The closing cash for September and the total columns should be the same 1,045