Class 11

Controlling and the other management functions. Types and strategies of controls. External versus internal control strategy. Steps in the control process. Nonbudgetary control techniques. Budgets and the use of budgets for control.

1. Which of the following is NOT a function of a budget?

**A.** To establish a cost ceiling for operational and capital expenses for major projects

B. To provide a projection of revenues and expenses

C. To determine an organization's financial future based on market trends

D. To measure and compare projected expenses to actual expenses

2. Why can bottom-up budgeting be a good idea?

A. Because the lower management is most involved in creating the strategic decisions.

B. Because the lower management can make the plans based on the needs of specific departments.

**C.** Because lower management always has a lot of experience in designing such document.

D. Because lower management is the most aware of the organizational objectives of the company.