Assignment Details: I need help with a response of 100 words to each response to 4 peers discussion posts.  
  
Peer #1- John,  
Discuss the benefits of using a master budget and benchmarking.  
Master budgeting is a complete picture of a businesses finances. It includes every part of a businesses process, from raw materials to net revenue. It is a set of completed budgets for the individual processes of a business, including operational, static and capital expenditure budgets. It also includes goals and timelines to meet those goals. These goals can also be used as benchmarks- a way to compare actual performance versus expected performance of a particular business tactic or process. By evaluating the benchmarks, a business can often improve performance.  
  
Explain the role of employee behavior on budget development, budgetary slack, and the importance of participative budgeting.  
The example our book provides is a salesman soft-padding the expected sales budget for his next financial period. In the scenario, he knows the benchmark set for him is too low and he will easily exceed the goal, potentially earning him a bonus. Unfortunately for the business, this sets them up for a potential failure, whether by not being able to produce the units he knows will be ordered or the sale falling through some other way. However, if he had participated in the budgeting process, he could have told the purchaser confidently that they would be able to produce the widgets because the business would know to have ordered enough materials.  
  
Describe one concept from this week’s learning that will help you in managing your own personal budget.  
I think the concept that will help me the most in my personal finances will be the static budget. In a static budget, a budget is "prepared for only one sales volume" (Miller-Nobles & Mattison, 2020). In my weekly/monthly/annual budget, I can use my hourly wages as a "sales volume" and compute the estimated earnings for each financial period: 40 hours a week, 160 hours a month and 2,080 hours a year. I can roughly estimate the taxes garnished at about 33%. If I use past bills and known fixed costs (like the mortgage & property taxes) I can craft a static budget for my house. Any variable earnings I have (like over time pay) can go towards savings or other projects.  
  
Tracie Miller-Nobles & Brenda Mattison, Pearson eText for Horngren's Managerial Accounting: The Managerial Chapters, 7e. Copyright 2020, Pearson Education Inc.  
  
Peer #2-Jose,  
Greetings class!  
  
A budget is a financial tool managers use to plan and coordinate the actions of a company aiming for a set goal. The first step to budgeting is setting a goal: reduce costs, expand the business, or become an industry leader in any business aspect. The second step to budgeting is to direct the company on the actions necessary to accomplish those goals. Miller-Nobles/Mattison. (2020).  
  
A master budget includes operating and financial budgets to plan, direct, control, and develop strategies to achieve a company's goals. At the same time, a budget provides a coordination and communication channel between managers from multiple levels and departments to work together to achieve the company's goals. Once a period finishes, companies benchmark their results against previous budget results to measure their progress and highlight areas needing more attention and improvement by comparing the budgeted versus the actual numbers. Miller-Nobles/Mattison. (2020).  
  
A participative budget integrates multiple business managers into creating, planning, and executing the period's budget. A motivated workforce must develop the period's budget to avoid the intentional over-stating or understating of revenues and expenses, known as budgetary slack, to make their department numbers look better at the end of the period.  
  
I plan to implement a concept in my personal life budgeting: developing strategic (long-term) and operating (short-term) budgets to address more extensive plans, like buying an investment property, and small projects, like paying off my credit card debts.  
  
References:  
  
Miller-Nobles/Mattison. (2020). Horngren's accounting: The managerial chapters (7th ed.). Pearson.  
  
Peer #3-Devin,  
Hello All,  
  
Explain when you would use a flexible budget.  
  
A flexible budget is one that is established for many different levels of sales volume (Miller-Nobles & Mattison, 2020, p. 7-6). Flexible budgets help paint the picture of how much money will need to be allocated to each team based on the needs or output of each team. For example, a software company might allocate a budget of 100K towards that inbound call center based on how many calls generally come into the center and how many representatives they need to answer all the calls in a timely manner. The support team also requires each person to have a set amount of equipment such as laptops or headsets to operate for their intended purposes. At the same company, a budget of 20K may be invested in their social media department as it may require less staff to maintain the company’s social media presence than it does for any customer support calls.  
  
Explain a standard costing system and its benefits.  
  
Standard cost systems are forms of accounting that use industry standards for product costs, direct materials and labor, and manufacturing overhead (Miller-Nobles & Mattison, 2020, p. 8-6). The purpose of using a standard costing system is for businesses to set true and realistic amounts towards all business outliners ensuring that they are being true competitors within the marketplace. While using standard costing systems has many benefits for managers, on of the most significant is to help set sales prices for the products or services that they offer (Miller-Nobles & Mattison, 2020, p. 8-11). For example, a shoe company that is releasing a new type of basketball shoe, can look at comps from other companies that are producing a similar product and help them to set a realistic price to draw customer in towards their product and not away if the price set is too expensive.  
  
Explain the variances used in the evaluation of standard costs.  
  
A cost variance is a unit of measurement that businesses use that keep costs of materials and labor inputs within marketplace standards (Miller-Nobles & Mattison, 2020, p. 8-11). An Efficiency variance is another methodology that businesses use that measure how efficient the utilization of their materials or staff (Miller-Nobles & Mattison, 2020, p. 8-11). Both a cost variance and efficiency variance are used to create a master flexible budget variance however they are not considered in a static budget as a static budget is utilized based on set numbers that do not change.  
  
Elaborate on the differences between flexible budgets and static budgets.  
  
A flexible budget is a budget that is created for varying levels of volume of sales within a business (Miller-Nobles & Mattison, 2020, p. 7-6). A static budget is a budget created for only one single level of volume of sales. One of the most significant differences between flexible and static budgets centers around the changes in the volume of the output. In a flexible budget, change occurs when the volume changes but will remain the same no matter the volume output in a static budget. Another difference is when it comes time to determine costs as in a static budget, the main assumption is centered around the fact that things will remain the same and will not change but many changes occur when determining the cost within a flexible budget.  
  
Explain the materials, labor, and overhead variances.  
  
Material variances are determined by taking the difference in the standard cost or materials from the actual cost of materials (Miller-Nobles & Mattison, 2020, p. 8-14). Labor variances are determined by taking the difference between the actual cost of labor from the standard cost of labor (Miller-Nobles & Mattison, 2020, p. 8-17). Overhead variances are the difference between the standard overhead that is assigned to production and the actual overhead cost (Miller-Nobles & Mattison, 2020, p. 8-19). Once the overhead variance amount is determined, this factor will be used to define the standard overhead allocation rate.  
  
References  
  
Miller-Nobles/Mattison. (2020). Horngren's accounting: The managerial chapters (7th ed.). Pearson.  
  
Peer #4-Zeenab,  
Explain when you would use a flexible budget.  
Flexible budget is a budgeting technique that adjust the original budget based on changes in activity levels. It's a valuable tool for monitoring and controlling expenses while providing a clearer picture of financial performance.  
  
Explain a standard costing system and its benefits.  
Standard costing is the method determined cost for materials, labor and overheads. The benefits are cost control, performance evaluation and pricing decisions. All these help businesses monitor cost and improve their overall performance.  
  
Explain the variances used in the evaluation of standard costs.  
In the evaluation of standard costs variances are used to compare the difference between actual and standard costs.  
  
Elaborate on the differences between flexible budgets and static budgets.  
Flexible budget is designed to adapt to change in activity levels such as production volume or sales volume. It provides a realistic and accurate representation of cost and revenues by considering the actual activity level achieved. Static budget remains fixed and does not change regardless of the actual activity level.  
  
Explain the materials, labor, and overhead variances.  
Material variances include the material price which compares the actual cost of material purchased with standard cost and the material quantity variance which compares the actual quantity of material used with the standard quantity. Labor variances: consist of labor rate variance which compares the actual labor rate paid with the standard labor rate and labor efficiency which compares the actual hours of labor worked. Overhead variances: used to measure the difference between the actual overhead cost and standard overhead costs. It helps business understand if they spend more or less on overhead expense they planned. This information helps them manage and control their overhead cost better.  
Paper Format: APA