

Name: _____ Date: _____

Chapter 21: Base knowledge worksheetFull sentence answers are **not** required: SL/HL 22 marks, 22 minutes

1 What is the difference between a cash-flow forecast and a budget? (2)

2 What is a variance analysis? (2)

3 Give **four** reasons why businesses set budgets and produce financial plans. (4)

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4 State **three** limitations of budgeting. (3)

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5 a Complete the following plan–variance analysis for Doggyland Ltd. (5)

£000	Plan	Actual	Variance
Sales	60	72	
Cost of goods sold	30	40	
Wages	10	15	
Rent	4	4	
Total	16	13	



b Analyse the variance for Doggyland Ltd.

(6)