**Managerial Accounting - Budgeting**

This case has two parts.

Part I.

Let’s try to apply our knowledge of variable costing and review a [sample budget for a charter school](http://cdad.trident.edu/Presentation.aspx?course=3&term=102&presentation=68158). This budget is prepared assuming three levels of student enrollment (66, 100 and 120). Revenue and expenses projections are shown in the budget. Operating assumptions are shown in “Schedule A”.

The first requirement of this case relates to the planning function of a budget. Comment on the following relating to the charter school budget:

(1) Is this a static or flexible budget?

(2) What is total revenue (excluding grants) per student?

(3) What are total expenses per student?

(4) Do all expenses seem necessary?

(5) Is this school viable? How many students does the school need to break even (show your calculations with analysis and state your assumptions for break-even)?

**(Note: For break even analysis – Ignore revenue received as “Grants” and “Startup Costs” (Schedule A).**

(6) What are the general benefits of preparing this budget?

(7) Discuss how this budget is likely to be used for the control function.

Part II.

The second requirement of this case relates to the control function of a budget. Use the background material and Internet to answer the following questions.

(1) Variance analysis is a traditional tool used for planning and control. Comment on advantages and disadvantages of using this approach for performance evaluations.

(2) Do you have any suggestions for complementary or alternative performance measures?

**Modular Case Expectations**

It is important to answer the questions as posed. The discussion should be three to five pages and written in a clear and concise manner. Support your discussion with references in APA format. You are encouraged to use Excel or other compatible spreadsheet when computations are involved.

**Grading Rubric:** [Click here](https://cdad.trident.edu/Presentation.aspx?course=190&term=102&presentation=81079) for details of the rubric used to grade the submission.