

# PROJECT REPORT

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**DEPARTMENT OF PHYSICS**

## PROJECT TITLE

**Estimation of Business Expenses**

### 1.INTRODUCTION

#### 1.1 Overview

Business expenses are costs associated with running a company. When you know all of a company's expenses, you can create a more accurate budget and track spending. Expenses are also a part of a company's income sheet. You must know a business's expenses to calculate a final net profit. Costs are subtracted from revenue to determine a company's taxable income. Some expenses categories are tax deductible, helping a company reduce its tax liability. The federal internal Revenue Service (IRS) determines if an expense is deductible by considering if it is ordinary, or common within the industry, and necessary. An expense that meets the definitions of ordinary and necessary for business purposes may be expensed for tax professional can provide further information on specific deduction regulations and industry standards.

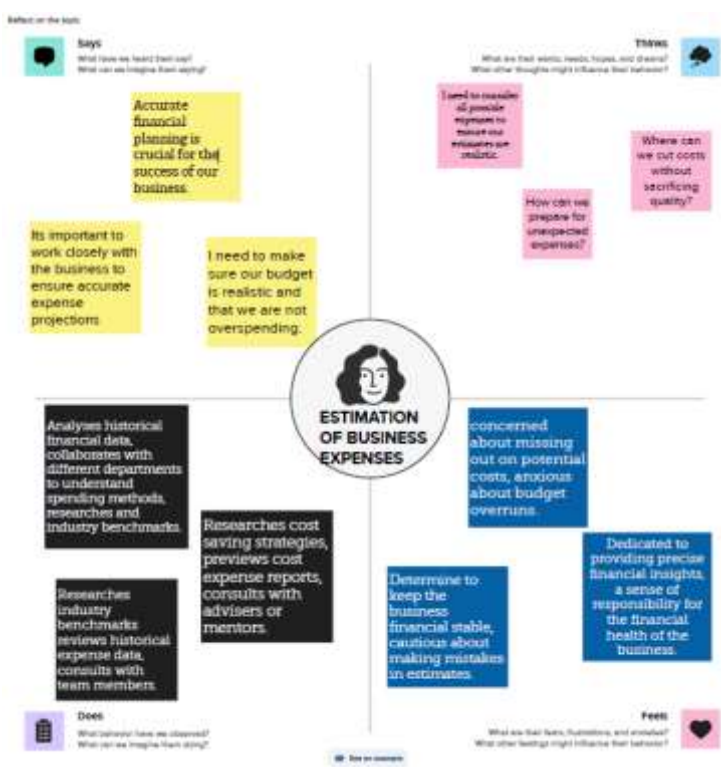
#### 1.2 Purpose

- Financial planning: Estimating business is crucial for long-term financial planning. It allows businesses to make informed decisions about investments, expansion, and future goals.
- Pricing strategies: Knowing your expenses helps determine the pricing of products or services, ensuring that they cover cost so and generate profit.
- Cost control: It helps in identifying areas where costs can be controlled or reduced. By tracking and estimating expenses, business can implement cost-saving measures.
- Budgeting: It helps business plan and set financial budgets. By estimating expenses, they can allocate resources appropriately and ensure they have enough funds to cover their cost.

In summary estimating business expenses is a fundamental aspect of financial management that supports planning, control and informed decision making within a business.

### 2.PROBLEM DEFINITION AND DESIGN THINKING

2.1 Empathy Map



2.2 Ideation & Brainstorming Map



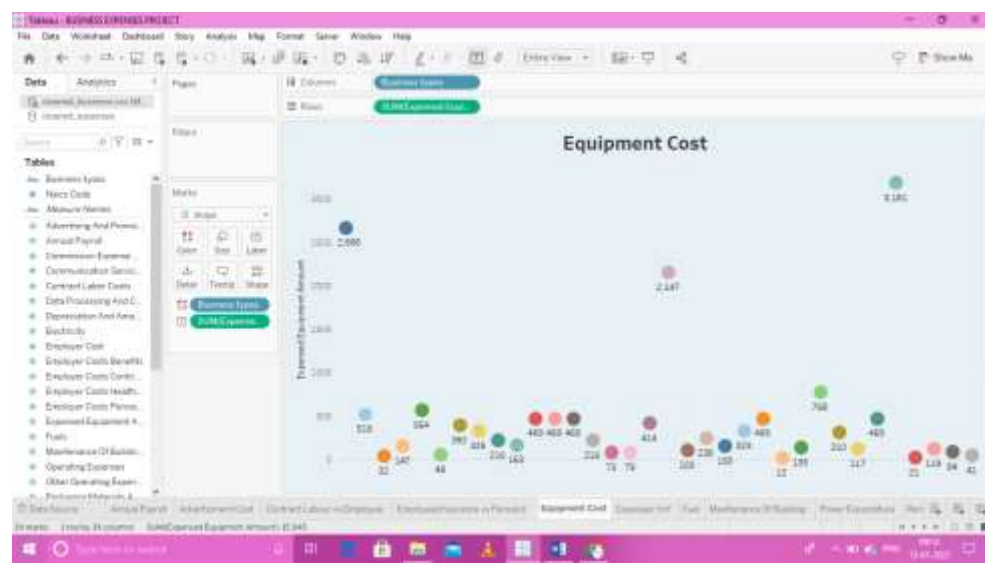
3.Result

3.1 Social Impact

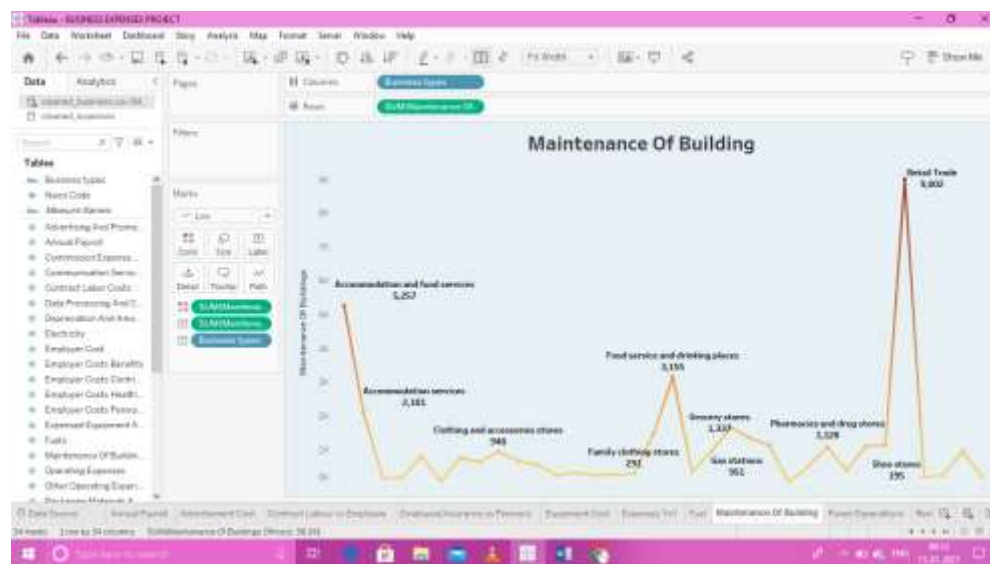
Effective expenses estimation within businesses can contribute to the well-being of the community by creating jobs, supporting fair pricing, reducing environmental impact, and promoting social responsibility. It can also foster education and skill development within the workforce, ultimately benefiting society as a whole.

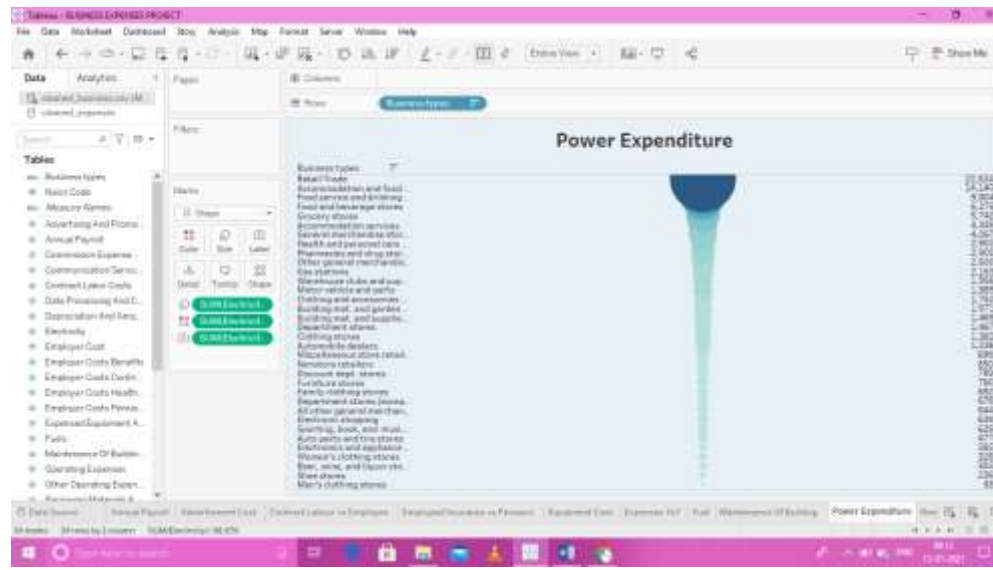
3.2 Activity & Screenshots

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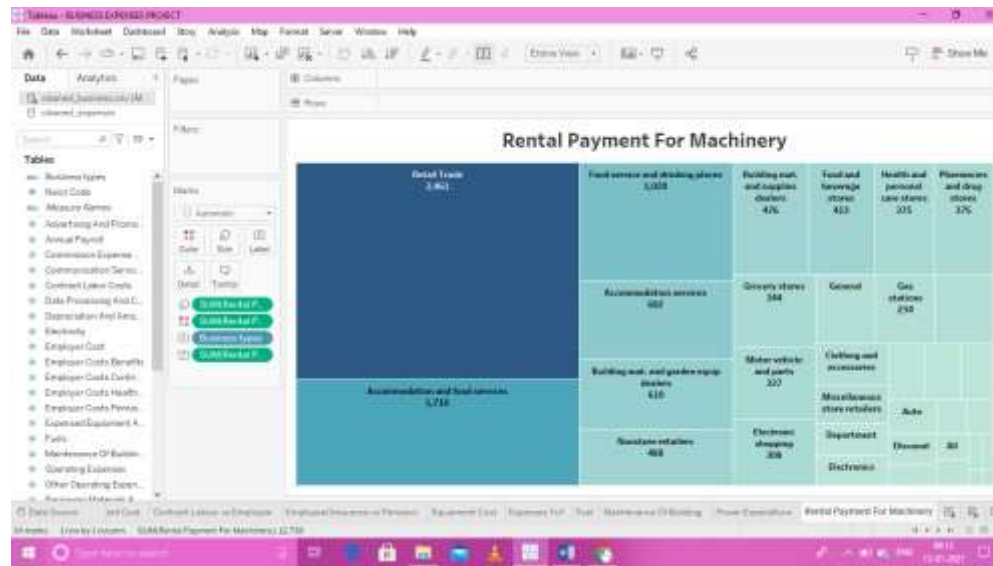


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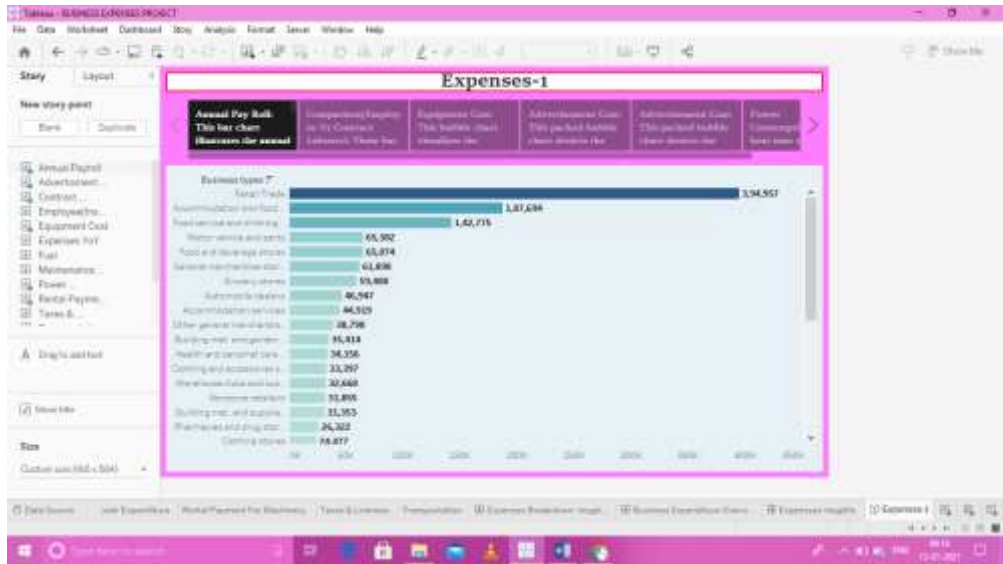


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## Story-1



## 4 Advantages & Disadvantages

### Advantages

- **Informed decision-making:** Accurate expense estimation provides valuable data for informed decision-making such as whether to invest in new projects or cost cutting measures.
- **Profitability Analysis:** It helps determine the profitability of products, service, or projects by comparing estimated expenses to revenues.
- **Sustainability:** Expense estimation can include environmental costs, encouraging businesses to adopt sustainable practices and reduce the ecological footprint.

### Disadvantages

- **Inaccuracy:** Estimations are not always precise, and unexpected expenses can arise, leading to budget shortfalls.

- Resource Intensive: The process of estimating expenses can be resource-intensive, involving financial experts and accounting software, which many not be feasible for small business.
- Time-Consuming: Preparing detailed expense estimated can be time consuming diverging time and effort from other core business activities.

5 APPLICATIONS

- ❖ Budgeting
- ❖ Financial Forecasting
- ❖ Pricing Strategies
- ❖ Cost Control
- ❖ Investment Decisions
- ❖ Tax Planning
- ❖ Performance Evaluation
- ❖ Resource Allocation
- ❖ Risk Management
- ❖ Sustainability & Environmental Impact

6.CONCLUSION

Estimating business expenses is a fundamental practice in financial management that service a range of crucial purposes. It enables businesses to budget effectively, plan for the future, control cost, and make informed decisions. When done accurately and efficiently, expense estimation can lead to financial stability, profitability, and social responsibility. However, it comes with challenges, such as the risk of inaccuracy and resource intensiveness, which businesses need to manage. Ultimately, expense estimation is a valuable tool for businesses to achieve their financial goals and contribute to their long-term successes and the well-being of the community.

7 FUTURE SCOPE

The future scope of estimating business expenses will be marked by technological advancement, increased automation, a focus on sustainability and adoptability of changing global business environments. Businesses that embrace these trends will be better equipped to make informed financial decisions and achieve long-term financial success.

8 TEAM DETAILS

TEAM MEMBERS NAME	NAAN MUDHALVAN ID	TEAM ID
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FACULTY INCHARGE

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**APPENDIX**

**Tableau link**

<https://public.tableau.com/app/profile/kazsyed/viz/BUSINESSEXPENSESWORKBOOK>  
<https://public.tableau.com/app/profile/kazsyed/viz/BUSINESSEXPENSESWORKBOOK/BusinessExpenditureOverview#1>