# PROJECT REPORT

## 1.INTRODUCTION

### 1.1 OVERVIEW

**A business estimate is a document detailing how much you plan on charging a customer for a good or service. It breaks down costs line by line (e.g., each cost for providing drywall installation) so customers know where the total is coming from.**

### 1.2 PURPOSE

**Business Expenses Explained  Also referred to as deductions, business expenses are the costs of operating a business. They're recorded on the income statement. These expenses will be subtracted from business revenue to show a company's net profit or loss and taxable income.**

**Expenses are ultimately money that is spent in order to ensure the company can function and grow the operations of the business. Technically speaking, an expense is incurred whenever an asset is used up or a liability is incurred.**

**The Business Purpose provides the justification for the expense and should be written so that someone reading it at a future time would have sufficient information about the activity (for example, provide context, spell out any acronyms, include full titles and department names) and why it was a permissible Stanford**

**An expenditure Is a payment of cash or credit for goods or services, often by a business, organization or corporation. The purchase may be to obtain new assets, improve upon or repair assets, or reduce liability**

**Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.**

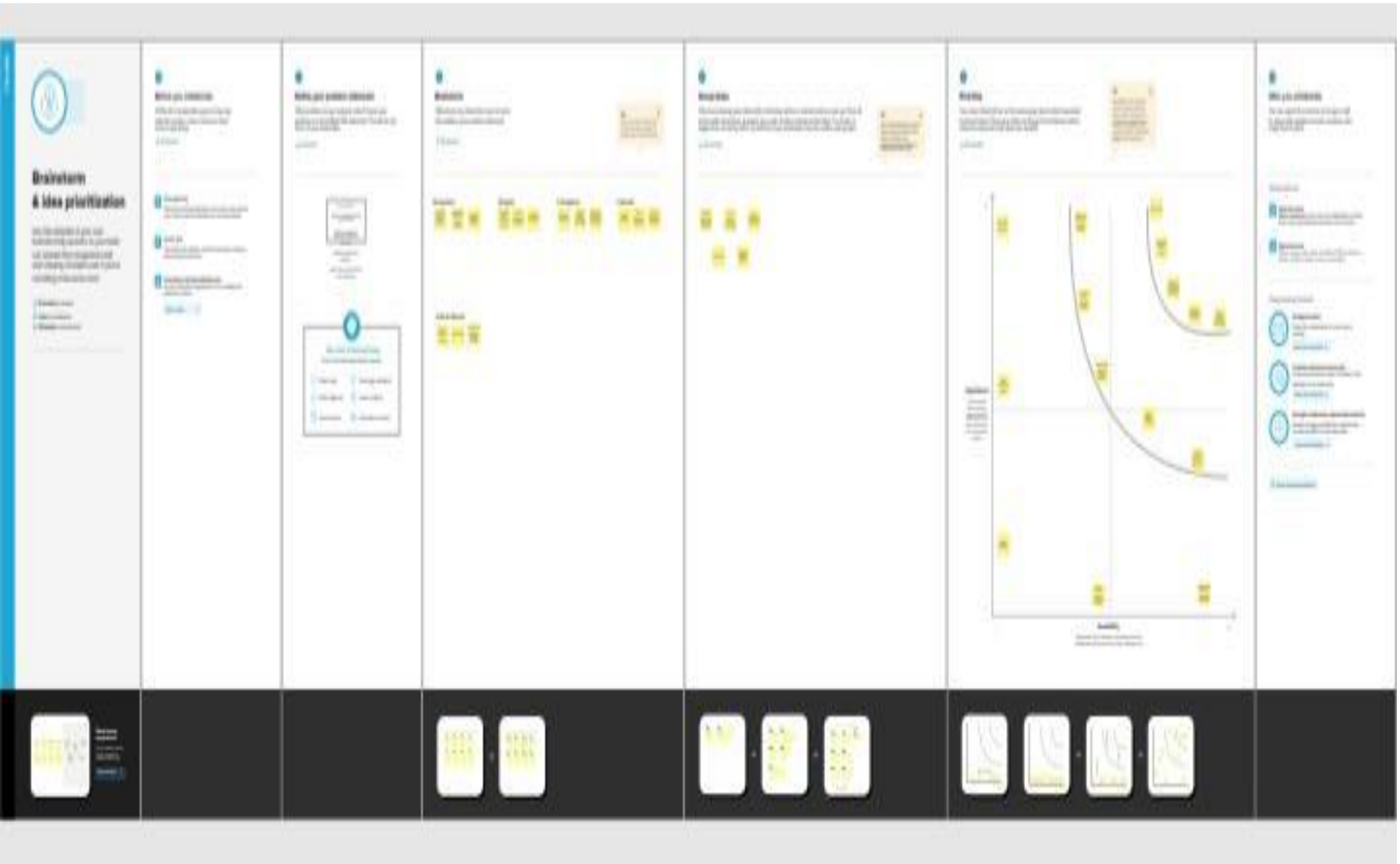
**A business purpose statement justifies how an expense is appropriate and reasonablhow it supports and/or advances the goals and objectives of the University.**

**A simplifying, although debatable view, contends that business purpose may exist in one of two forms: current purpose, or mission; and future purpose, or vision.**

## 2. PROBLEM DEFINITION & DESIGN THINKING

### 2.1. EMPATHY MAP

### 2.2. IDEATION & BRAINSTORMING MAP



### 3. RESULT

Identify fixed expenses: Rent, utilities, salaries.

Variable costs: Raw materials, shipping, commissions.

Unexpected costs: Emergency funds for unforeseen events.

Depreciation: Account for asset depreciation.

Insurance: Include premiums for business coverage.

Marketing: Budget for advertising and promotions.

Technology: Software, hardware, IT support.

Travel: Expenses related to business trips.

Professional services: Legal, accounting fees.

Contingency: Set aside a buffer for uncertaintiesuncertainties

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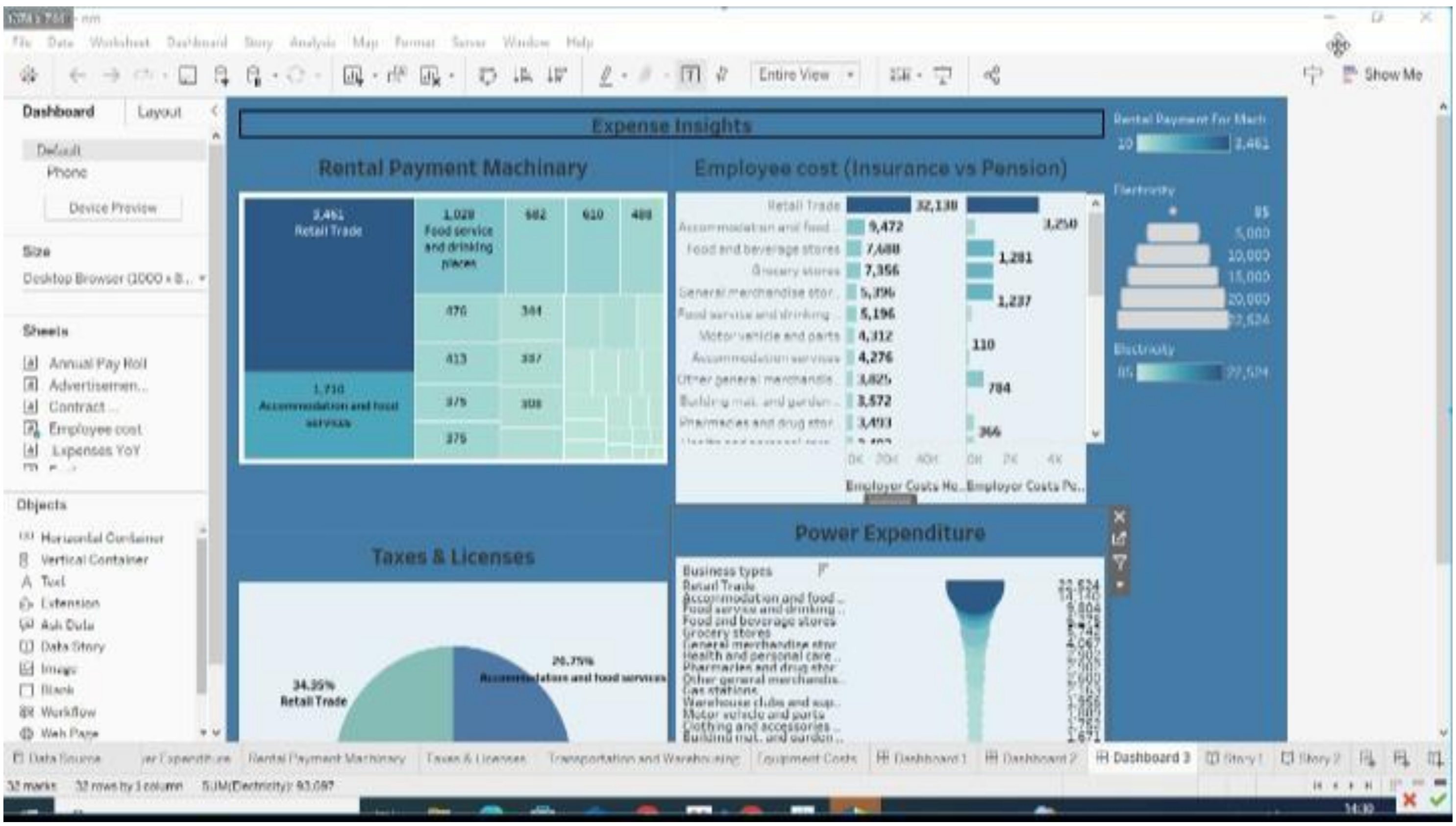

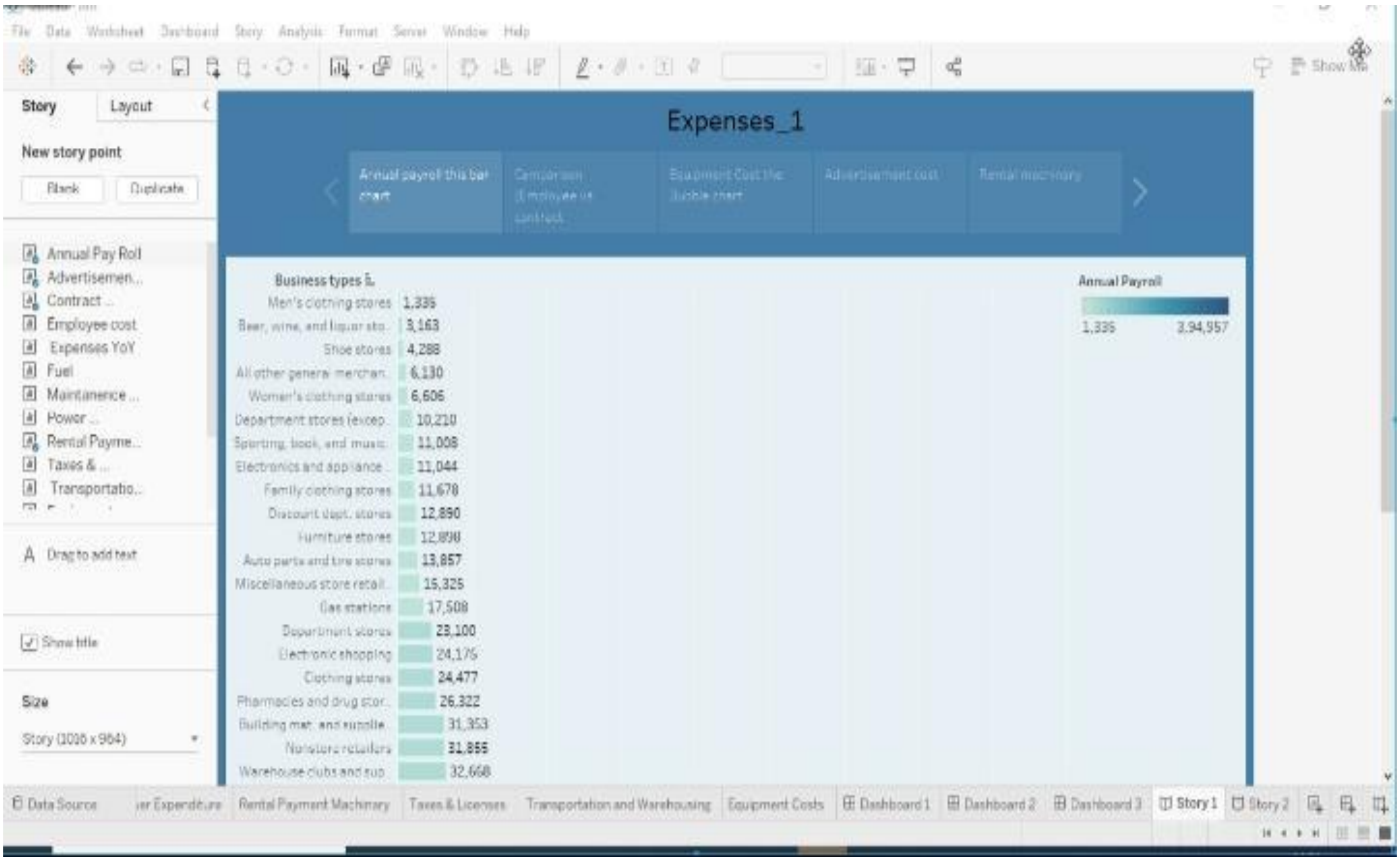


## 4.ADVANTAGES & DISADVANTAGES

**Advantage:**

Identify fixed expenses: Rent, utilities, salaries.

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Disadvantage:

Budgeting Control: Enables better control and management of financial resources.

Financial Planning: Facilitates strategic planning for resource allocation.

Profitability Analysis: Identifies areas for cost optimization, enhancing profitability.

Risk Mitigation: Anticipates and prepares for unexpected expenses or economic changes.

Investor Confidence: Demonstrates fiscal responsibility, boosting investor trust.

Resource Allocation: Guides efficient distribution of funds across different business functions.

Goal Alignment: Aligns financial goals with overall business objectives.

Performance Evaluation: Provides benchmarks for evaluating departmental and overall performance.

Cash Flow Management: Assists in maintaining a healthy cash flow for day-to-day operations.

Adaptability: Allows businesses to adapt to changing market conditions more effectively.

5.APPLICATIONS:

Uncertain Variables: Difficulty in estimating fluctuating costs like utilities or market changes.

Rigidity: May lead to inflexibility if unexpected expenses arise.

Time-Consuming: Creating detailed estimates can be time-intensive.

Overhead Costs: Some costs are challenging to allocate accurately to specific departments.

Assumption Risks: Relies on assumptions, which may not always align with actual scenarios.

Market Volatility: Economic shifts can impact estimated costs, leading to inaccuracies.

Inflation Impact: Doesn't always account for inflation's effect on prices over time.

Changing Technology: Rapid tech advancements can render initial estimates obsolete.

Human Error: Mistakes in estimation can result in financial mismanagement.

External Factors: External factors like political changes or natural disasters can disrupt estimateses.

6.CONCLUTION:

Budget Development: Forms the foundation for creating a comprehensive business budget.

Financial Forecasting: Aids in predicting future financial needs and trends.

Investment Planning: Guides decision-making on resource allocation and investment opportunities.

Resource Allocation: Helps distribute funds efficiently across departments or projects.

Cost Control: Facilitates proactive management of costs to prevent overspending.

Performance Evaluation: Provides a basis for evaluating departmental and overall business performance.

Decision Support: Assists in making informed decisions regarding business strategies.

Funding Requests: Essential when seeking external funding, demonstrating financial responsibility.

Contract Negotiations: Useful in negotiating contracts and agreements with suppliers and partners.

Strategic Planning: Aligns financial goals with broader strategic objectives for long-term success.

7.FUTURE SCOPE:

Advanced Technology Integration: Future tools leveraging AI and data analytics for more accurate predictions.

Real-time Monitoring: Increasing focus on real-time expense monitoring for agile financial management.

Blockchain for Transparency: Adoption of blockchain for transparent and secure tracking of financial transactions.

Predictive Analytics: Growing use of predictive analytics to forecast expenses based on historical data and market trends.

Green Business Practices: Estimating expenses related to sustainable and eco-friendly practices gains prominence.

Global Economic Considerations: Enhanced tools to account for global economic factors impacting business expenses.

Integration with ERP Systems: Deeper integration with Enterprise Resource Planning (ERP) systems for seamless financial management.

Cybersecurity Budgeting: A dedicated focus on estimating expenses for robust cybersecurity measuresmeasures.

Evolving Regulatory Compliance: Adaptation to evolving regulations, necessitating precise estimation for compliance costs.

Remote Work Dynamics: Refined estimation models to address the changing dynamics of remote work and associated expenses.