

ESTIMATION OF BUSINESS EXPENSES

TEAM

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INTRODUCTION

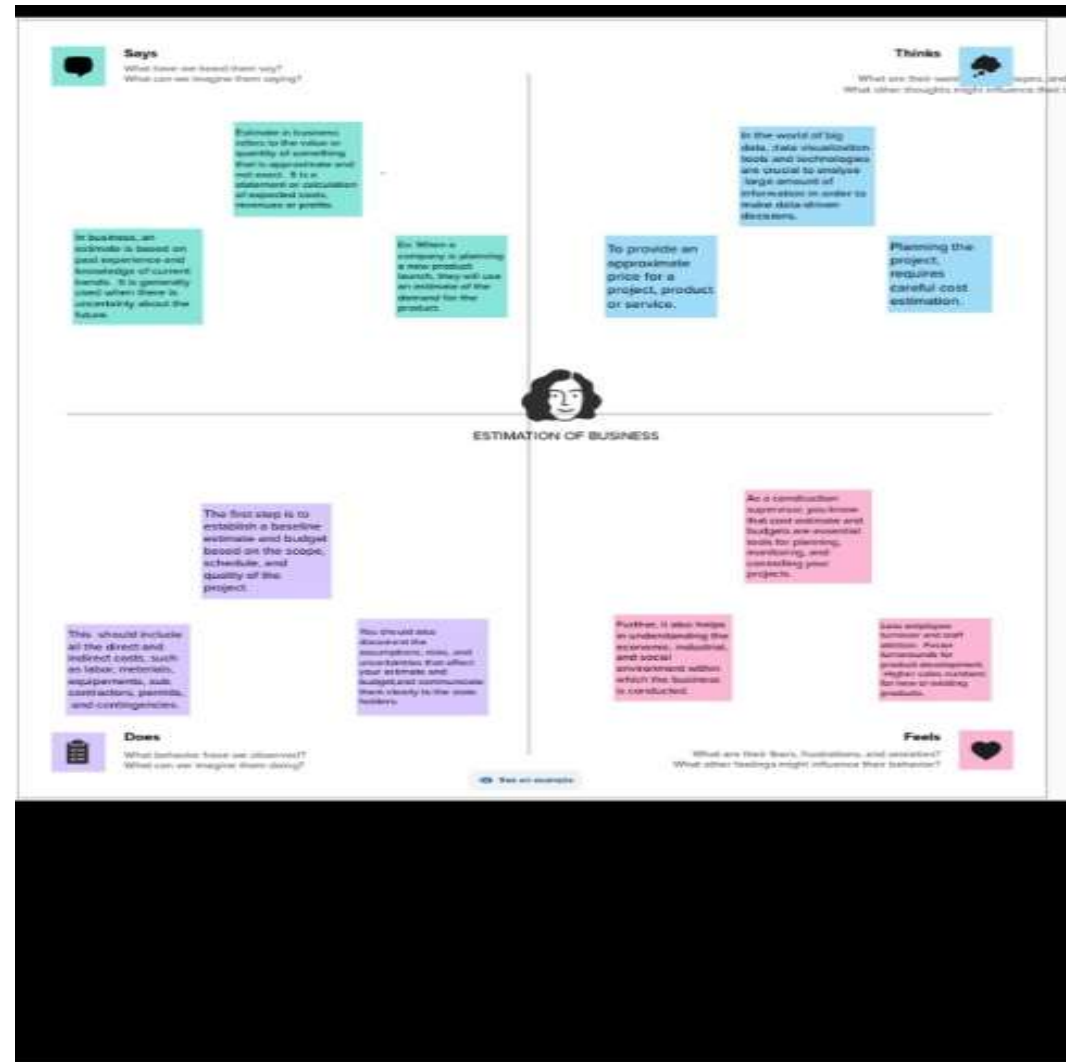
- OVERVIEW

Organizations typically accrue some costs during the course of doing business . Accountants and financial leaders can use these expenses to create a company budget , produce income statements or file tax reports. Understanding a company is expenses and knowing which once are tax-deductible can also help you prepare a company taxes.

- PURPOSE

- ❖ There are a number of different types of business expenses you can incur, and each has its own rules and guidelines.
- ❖ Business expenses are incurred as part of a company's operations.
- ❖ Businesses subtract their expenses from their revenue to determine their net profit or loss and taxable income.

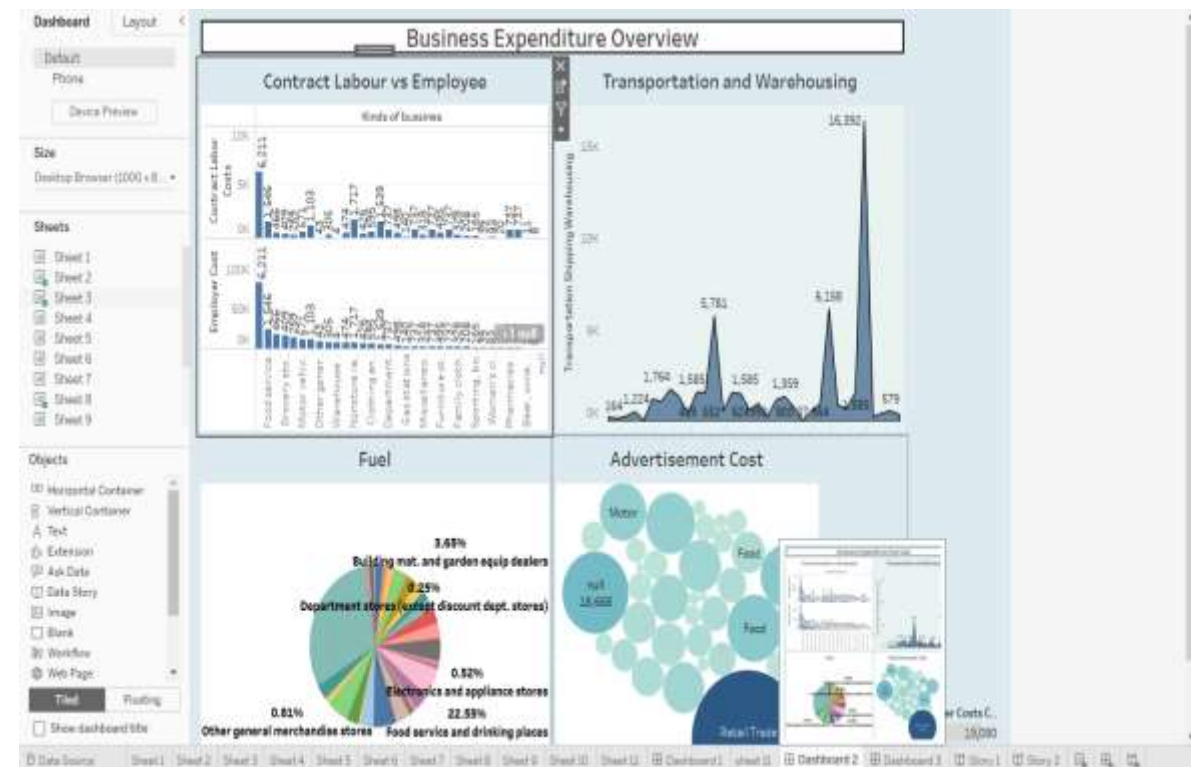
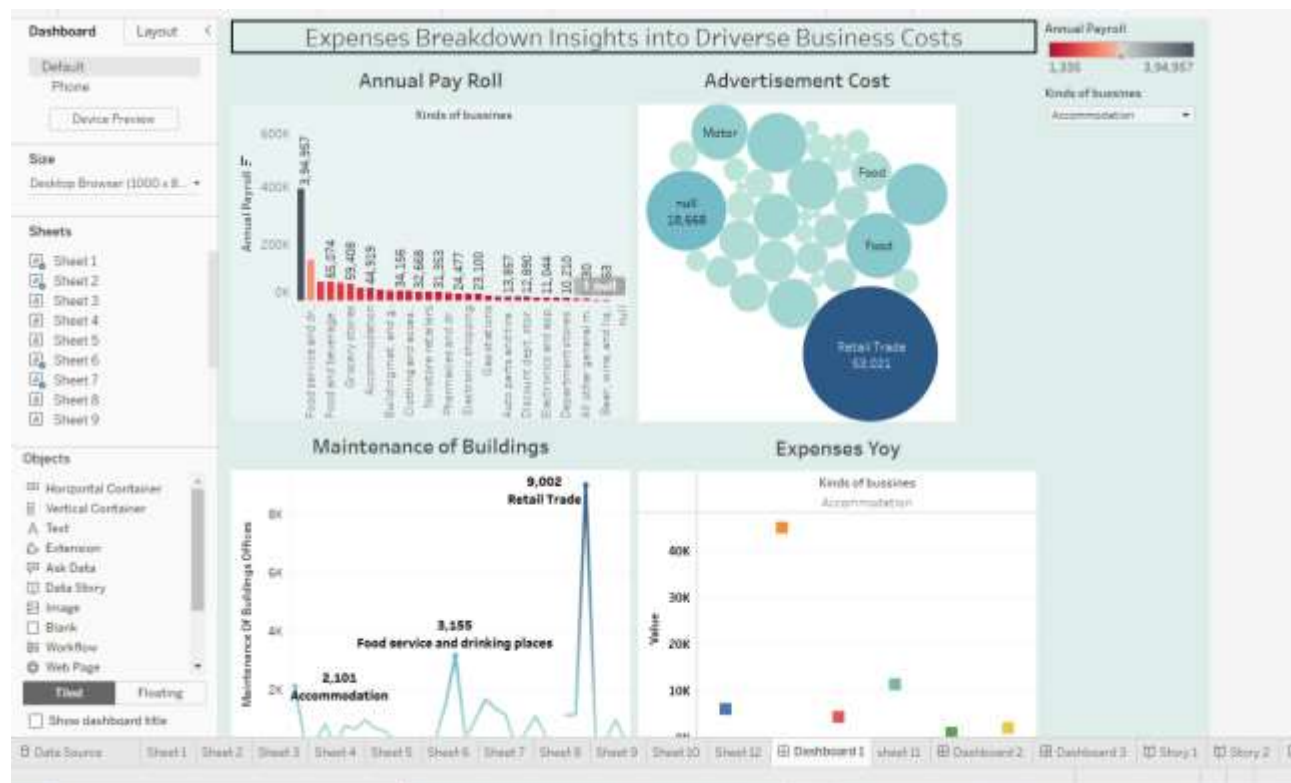
EMPATHY MAP



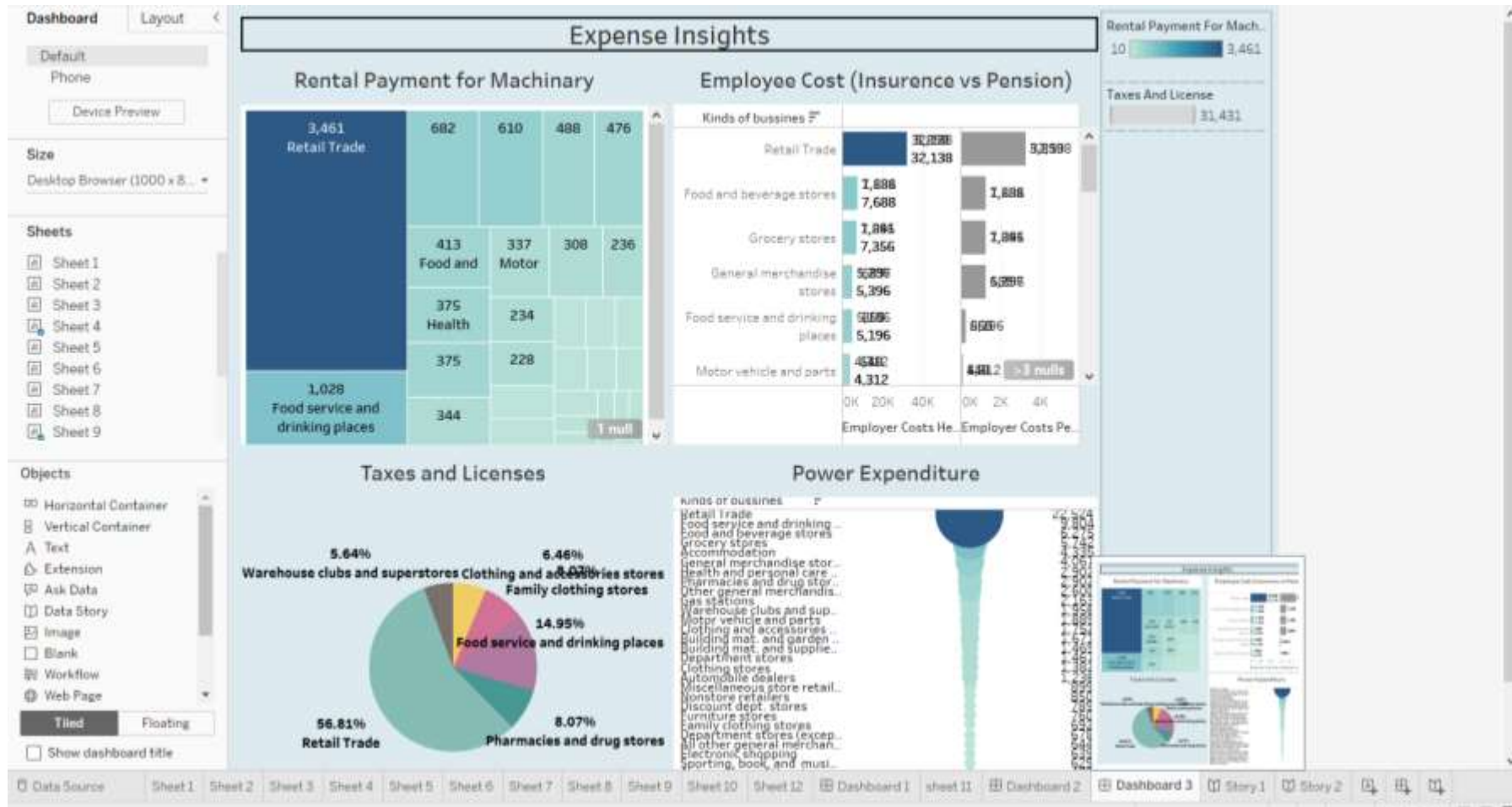
BRAINSTORM



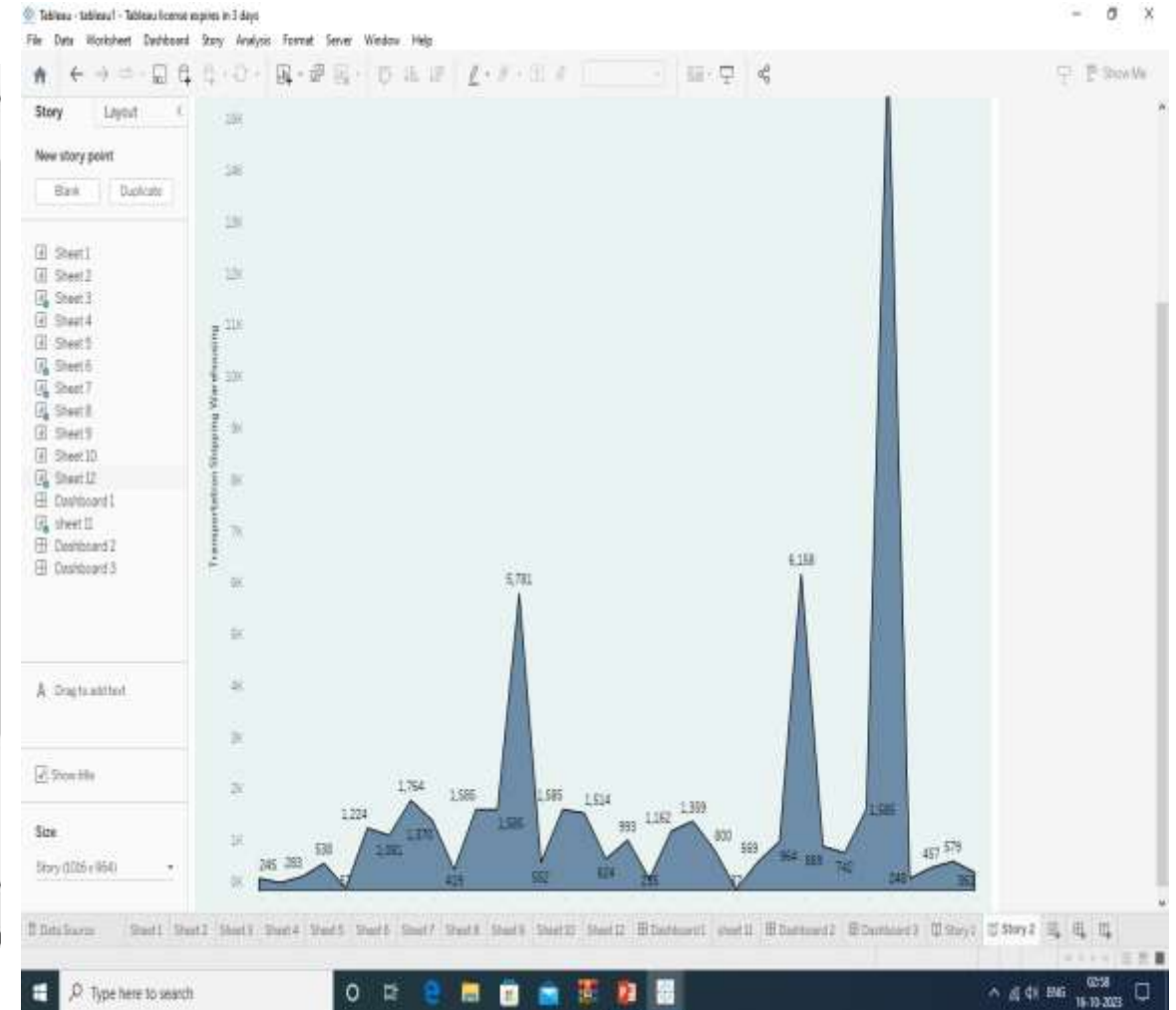
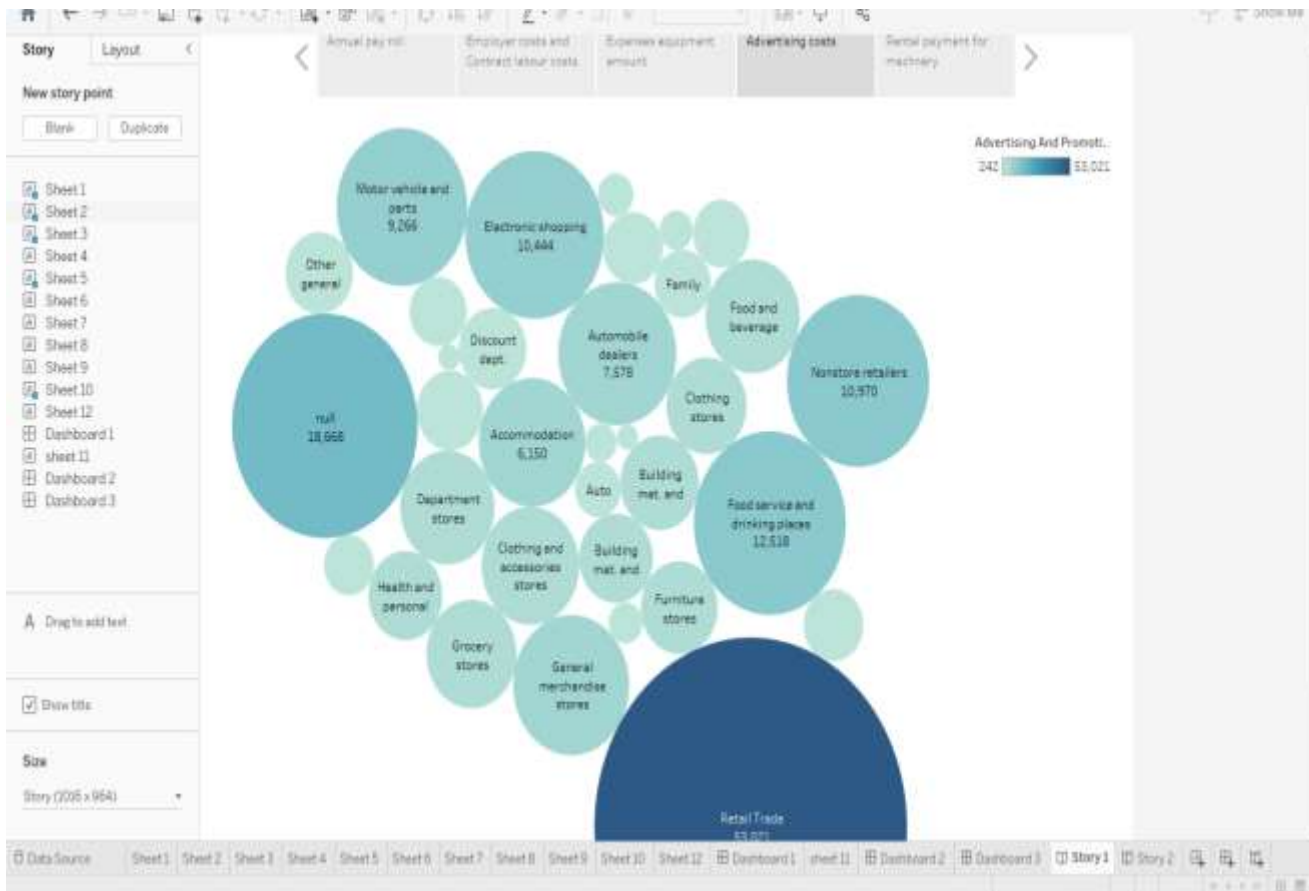
RESULTS



RESULTS



RESULTS



ADVANTAGES & DISADVANTAGES

- ADVANTAGES

- The whole cost estimation process is based on multiple parameters that can impact the total allocated cost.
- A few parameters are workforce, material sourcing, manufacturing cost, and other associated expenses.
- It is an iterative process that involves constant monitoring and adjusting to ensure the project stays within budget.

- DISADVANTAGES

- One of the main disadvantages of unit cost estimating is that it can be time-consuming and labor-intensive.
- Especially for complex and large-scale projects with many variables.

APPLICATIONS

- ❖ Any company will have business expenses. Meticulously tracking them ensures you know where your funds are going, and it helps you reduce your tax liability.
- ❖ Its also crucial to understand what business expenses are and what you can deduct so you're not paying more taxes than necessary.
- ❖ Business expenses need to be considered ordinary and necessary on an income (profit and loss) statement.

CONCLUSION

- These expenses change throughout the reporting period. Examples include shipping costs and utility payments.
- These expenses happen occasionally across different reporting periods. Examples include emergency equipment repairs and annual bonuses.
- Some expense categories are tax-deductible, helping a company reduce its tax liability. The federal internal revenue service determines if an expense is deductible by considering if it is ordinary, or common within the industry, and necessary.

THANK YOU