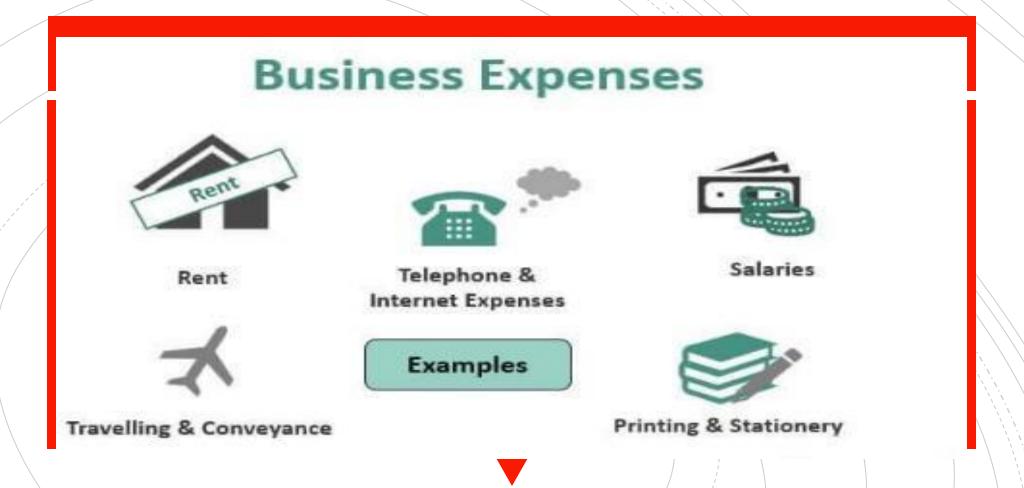# Estimation of business expenses

College Name

Govindammal Aditanar college for women

Tirchendur

Our Team Members

N.Loga Anushiya

V.Nancy Renuga

A.Nithyasri

M.Muthu Lakshmi

3rd Bsc mathematics

Project objectives

- Introduction
- Result
- Advantages
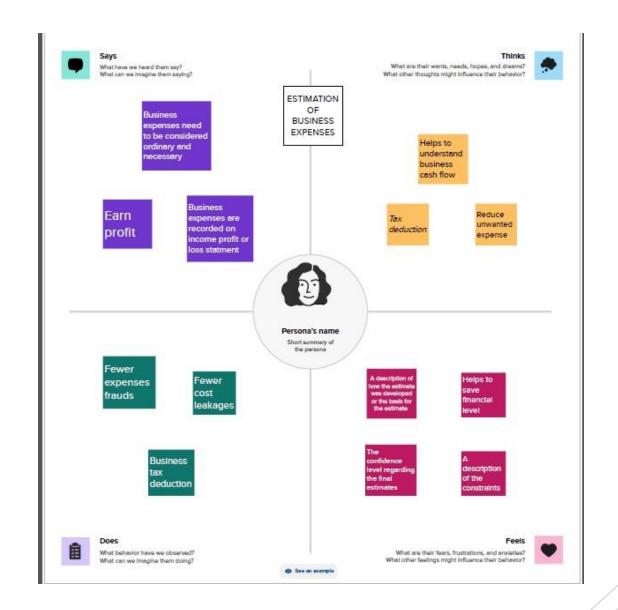- Disadvantages
- Conclusion
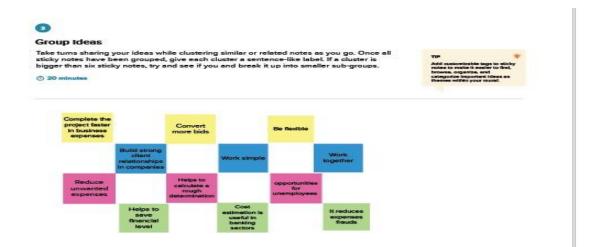- Appendix

Introduction

Definition

- *Estimating all the expenses required to start and operate the business such as equipment, rent, inventory and marketing*

Empathy map

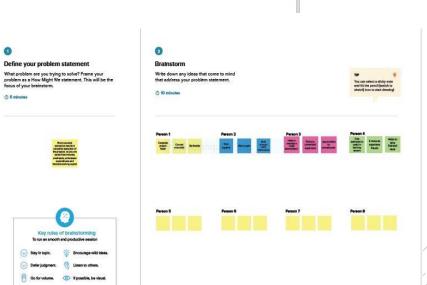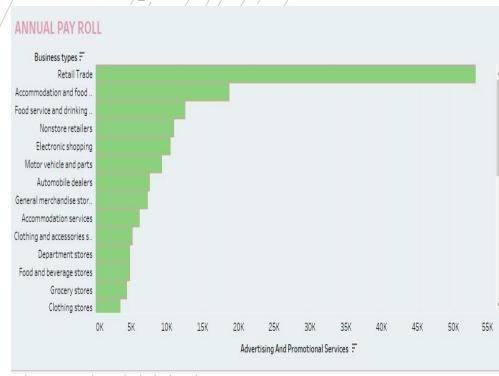Empathy map to define and understand the problem. Our empathy map is shown below

Says
What have we heard them say?
What can we imagine them saying?

Thinks
What are their wants, needs, hopes, and dreams?
What other thoughts might influence their behavior?

ESTIMATION OF BUSINESS EXPENSES

Business expenses need to be considered ordinary and necessary

Earn profit

Business expenses are recorded on income profit or loss statment

Helps to understand business cash flow

Tax deduction

Reduce unwanted expense

Persona's name
Short summary of the persona

Fewer expenses frauds

Fewer cost leakages

Business tax deduction

A description of how the estimate was developed or the basis for the estimate

Helps to save financial level

The confidence level regarding the final estimates

A description of the constraints

Does
What behavior have we observed?
What can we imagine them doing?

Feels
What are their fears, frustrations, and anxieties?
What other feelings might influence their behavior?

See an example

Brainstorm

Have we plotted annual role

Employee cost

ANNUAL PAY ROLL

Business types	Advertising And Promotional Services
Retail Trade	(bar to ~53K)
Accommodation and food ...	(bar to ~19K)
Food service and drinking ...	(bar to ~9K)
Nonstore retailers	(bar to ~8K)
Electronic shopping	(bar to ~7K)
Motor vehicle and parts	(bar to ~7K)
Automobile dealers	(bar to ~6K)
General merchandise stor...	(bar to ~5K)
Accommodation services	(bar to ~5K)
Clothing and accessories s...	(bar to ~4K)
Department stores	(bar to ~4K)
Food and beverage stores	(bar to ~4K)
Grocery stores	(bar to ~4K)
Clothing stores	(bar to ~3K)

Employee cost(insurance vs pension)

Business types	Employer Costs Contribution Plans	Employer Costs Pension Plans
Retail Trade	32,138	32,138
Food and beverage stores	7,688	7,688
Grocery stores	7,356	7,356
Accommodation and food ...	9,472	9,472
Nonstore retailers	2,672	2,672
Electronic shopping	1,954	1,954
General merchandise stor...	5,396	5,396
Food service and drinking ...	5,196	5,196
Pharmacies and drug stor...	3,493	3,493
Health and personal care ...	3,493	3,493
Discount dept. stores	932	932
Department stores (excep...	640	640
Building mat. and garden ...	3,572	3,572
Motor vehicle and parts	4,312	4,312
Building mat. and supplie...	3,313	3,313
Department stores	1,571	1,571

Advertisement cost

Contract labour cost

Maintenance of buildings

Maintenance of Buildings

Fuel

fUEL
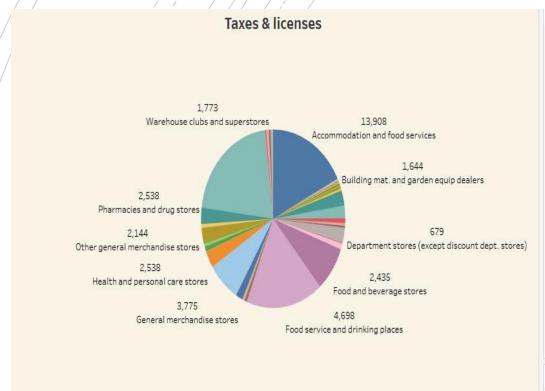
Rental payment for machinary

Power expenditure
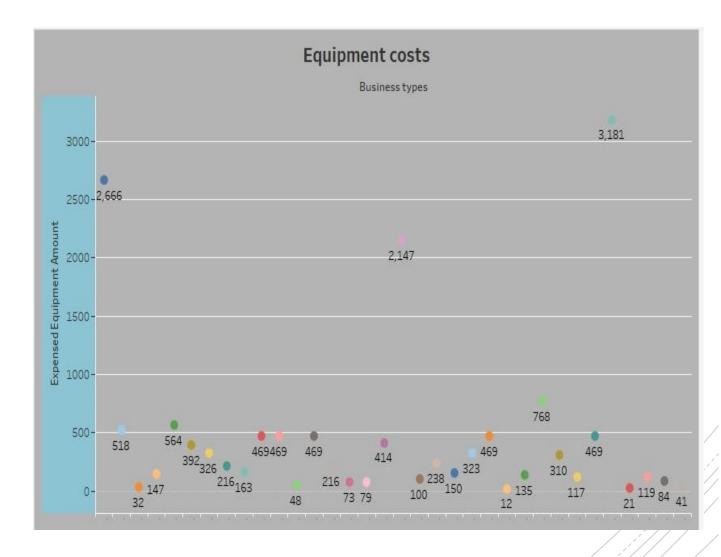
Taxes & licenses

Transportation and warehousing

Expenses yoy

Equipment costs
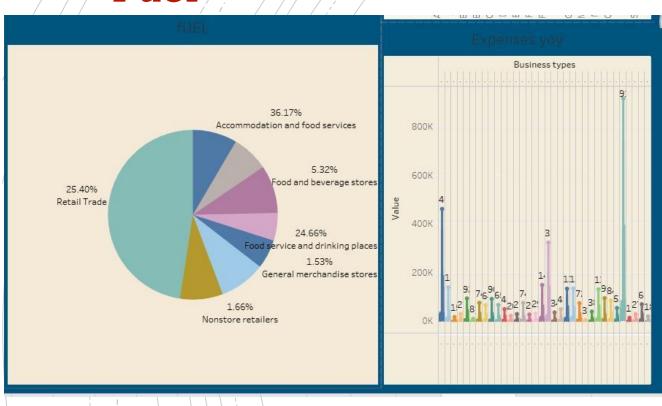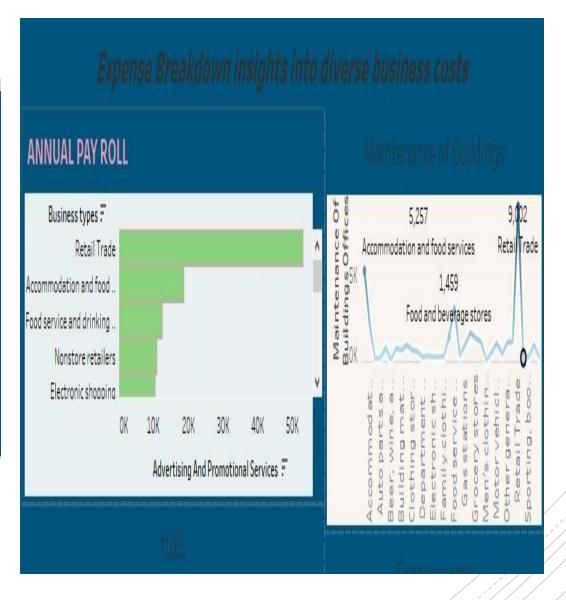
Dashboard 1
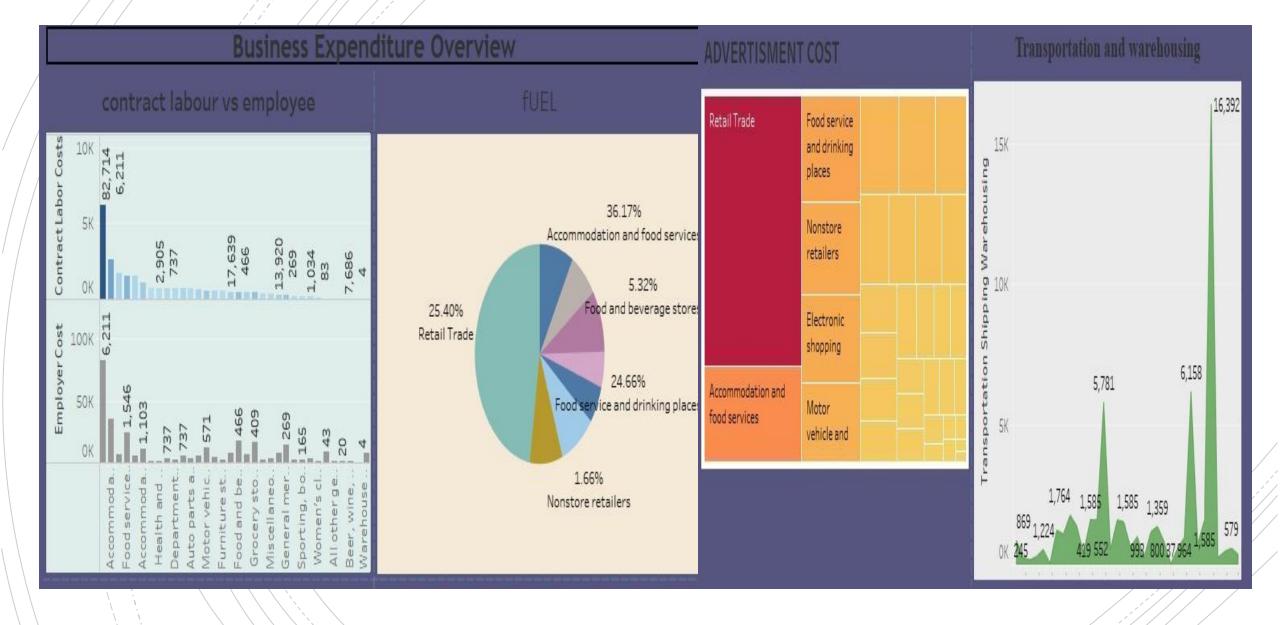
Fuel

Expenses of yoy
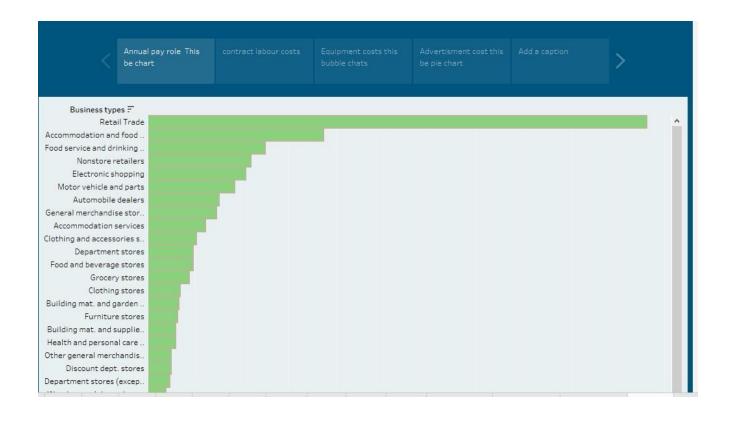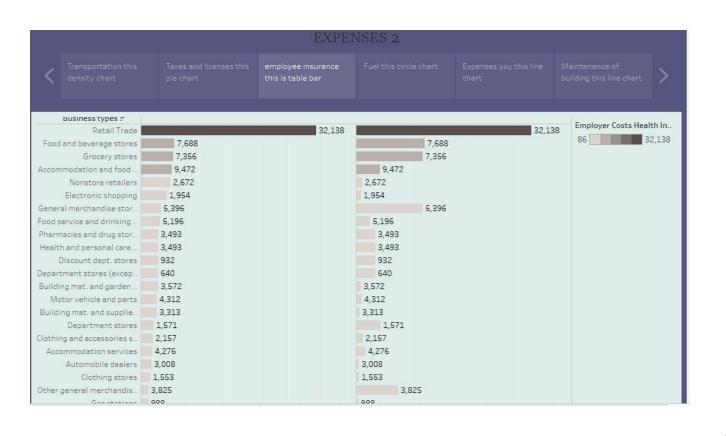
Dashboard 2

Advantages

- Helps in identifying the main cost drivers of a business

- Provides a detailed understanding of each account in the financial statements

- Helps in identifying areas where cost savings can be made

Disadvantages

- May not provide a complete picture of the financial health of the business

- May not be suitable for smaller businesses with limited resources

- Can be influenced by subjective judgment made by the analysts

Future scope

The process of forecasting financial and other resources needed to complete a project within a defined scope

Cost estimation account for each element required for the project from material to labour and calculate a total amount that determines a project budget

Conclusion

Cost estimation is an important component of the project management that ensures project are finished on schedule and within budget