

ESTIMATION OF BUSINESS EXPENSES

INTRODUCTION:

A business estimate is a document that provides potential clients with an approximation of the costs associated with the goods or services they are interested in. It is important to remember that an estimate is not binding contract, but rather a tool used to help secure business.

1.1 OVERVIEW:

This involves estimating all the expenses required to start and operate the business, such as equipment, rent, inventory, and marketing. By calculating these costs upfront, business owners can better plan their budget and avoid unexpected expenses.

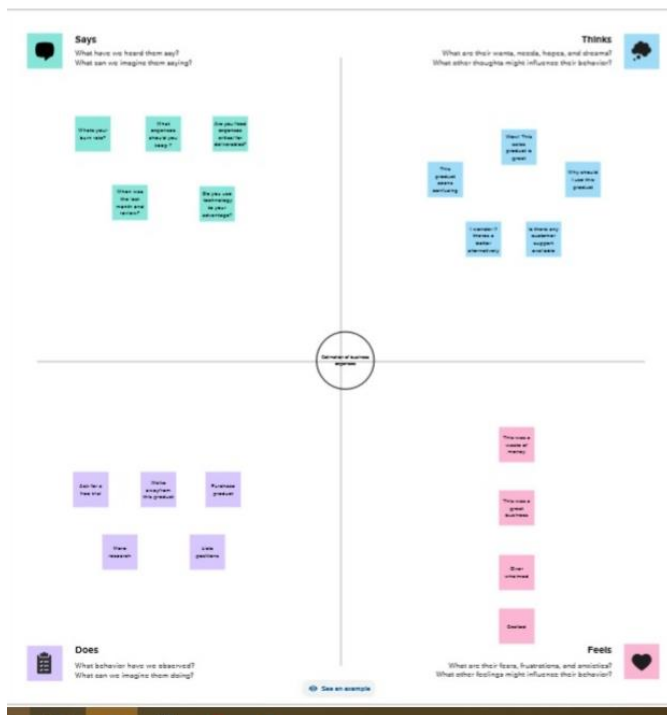
1.2PURPOSE:

Estimates are important because they allow businesses to set expectations for their customers. They also help business determine whether or not a project is feasible and how much profit they can expect to make. Estimating also allows businesses to plan for unforeseen expenses and keep track of spending.

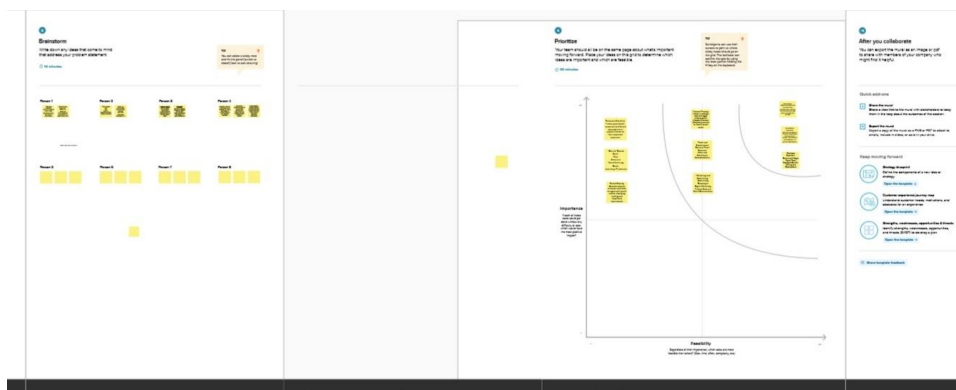
2.PROBLEM STATEMENT AND DESIGN THINKING:

The information that goes into a problem statement is generally uncovered in the Empathize stage. It must contain three parts: a description on the user, a need, and an insight. One example of a problem statement in design thinking is, "Our user needs nutritious foods for proper grow

2.1 EMPATHY MAP:



2.2 BRAIN STORM

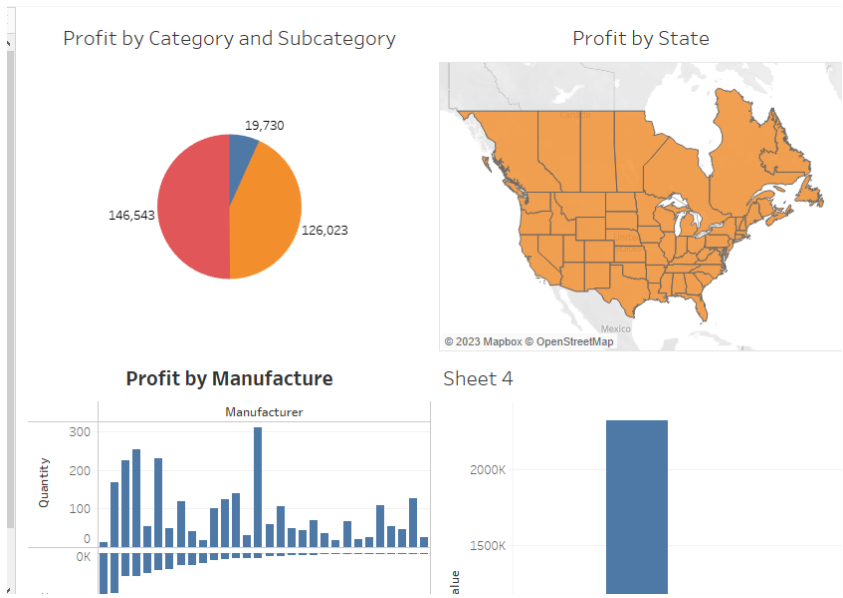


3.RESULT

DATASETS:

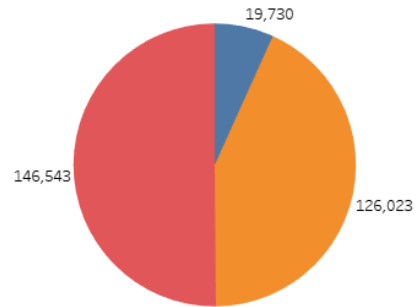
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naics_code																											
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U							
naics_code	Business operating	annual_revenue	employee	employee	employee	employee	employee	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract	contract
4445	Retail Trade	916307	394957	82714	32138	5899	3250	41427	6211	3181	5802	15964	2583	4425	7342	7799	9144	9002	3461	87							
441	Motor Vehicle	130153	65382	11700	4312	548	110	6729	571	768	150	2475	467	1824	1157	1040	907	1076	337	5							
4411	Automobile	92263	46947	8107	3008	362	61	4676	305	564	90	1537	388	1660	1011	612	535	800	228	6							
4413	Auto parts	27870	13857	2772	1015	145	48	1564	737.1	147	39	727	50	109	1214.2	317	284	189	96	2							
442	Furniture	34721	12898	2481	917	130	19	1416	495	100	154	528	88	99	369	304	238	330	114	5							
443	Electronic	26027	11044	1986	666	123	7	1190	208	73	46	453	114	51	1214.2	359	126	258	123	2							
444	Building material	74261	35414	7625	3572	588	98	3367	474	392	150	1480	198	162	439	620	1102	748	630	4							
4441	Building material	64850	31353	6864	3313	541	74	2936	426	326	94	1149	170	140	427	533	800	636	476	3							
445	Food and beverage	147801	65074	17639	7688	1136	1281	7534	466	414	2224	2570	204	310	313	608	2168	1459	413	12							
4451	Grocery store	133425	59408	16601	7356	1091	1241	6913	409	323	2016	2329	184	260	189	478	2003	1337	344	10							
4453	Beer, wine, liquor	8357	3163	590	201	30	32	326	11	48	46	104	14	40	1214.2	72	76	74	30	1							
446	Health and personal care	72689	34156	717	3492.9	592	366.1	5158.9	737.1	469	803.2	2262.3	264.2	438.3	161	736.7	1193.7	1127.7	374.7	93							
4461	Pharmacy	53280	26322	717	3492.9	592	366.1	5158.9	737.1	469	803.2	2262.3	264.2	438.3	1214.2	736.7	1193.7	1127.7	374.7	93							
447	Gas station	48418	17508	3188	988	255	53	1892	140	238	138	1031	83	151	130	385	1184	951	234	4							
448	Clothing and accessories	90188	33397	6006	2157	426	130	3292	595	216	747	1344	287	347	299	770	396	948	171	16							
4481	Clothing store	65589	24477	4360	1553	330	66	2411	498	163	636	1032	259	269	186	569	272	656	119	11							
44811	Men's clothing	3474	1335	283	86	9	1	188	8	12	27	42	5	23	52	35	12	37	10								
44812	Women's clothing	18546	6606	1034	343	76	15	600	83	41	175	285	50	39	1214.2	165	45	201	21	4							
44814	Family clothing	29823	11678	2167	844	189	43	1091	328	79	293	518	172	121	1214.2	242	147	291	58	4							
4482	Shoe store	12400	4288	717	234	38	12	432	20	21	49	113	18	42	1214.2	88	55	195	15	3							
451	Sporting goods	27424	11008	1907	701	99	44	1063	165	119	169	392	99	224	492	250	160	247	52	3							
452	General merchandise	132672	61898	13920	5396	689	1237	6598	269	150	424	2503	196	203	225	550	1323	1662	236	6							
4521	Department store	48579	23100	5140	1571	430	453	2686	737.1	469	229	886	172	178	1214.2	292	355	556	132	2							
45211	Department store	20683	10210	2236	640	592	366.1	1196	737.1	469	141	306	100	165	1214.2	123	42	242	45	1							
452112	Discount department store	27096	12890	2905	932	592	366.1	1490	737.1	469	88	580	73	14	1214.2	169	314	314	87	1							

DASHBOAED

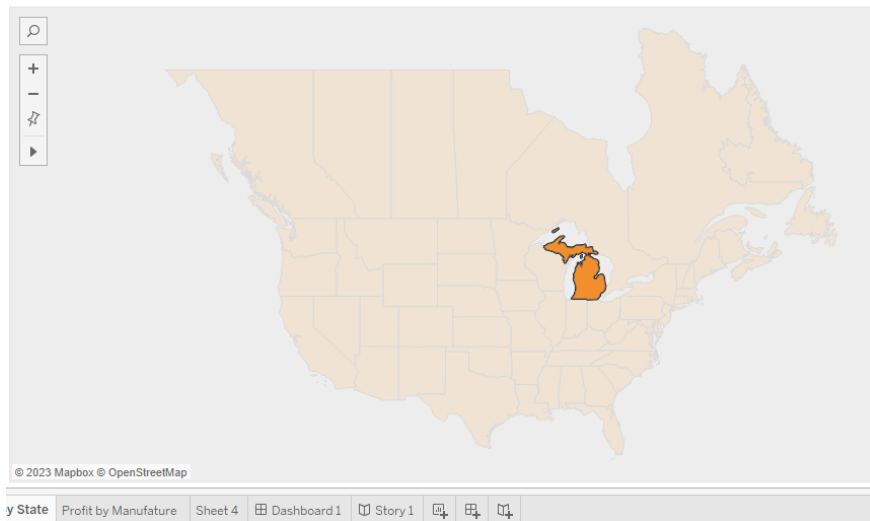


STORY:

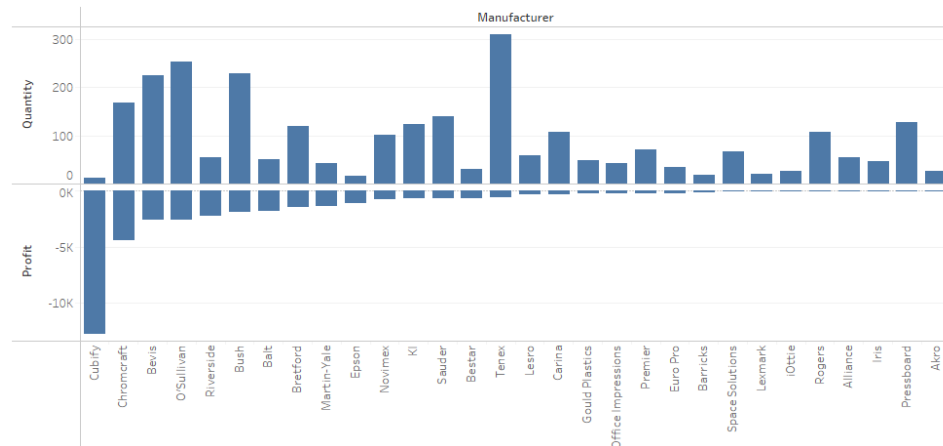
Profit by Category and Subcategory

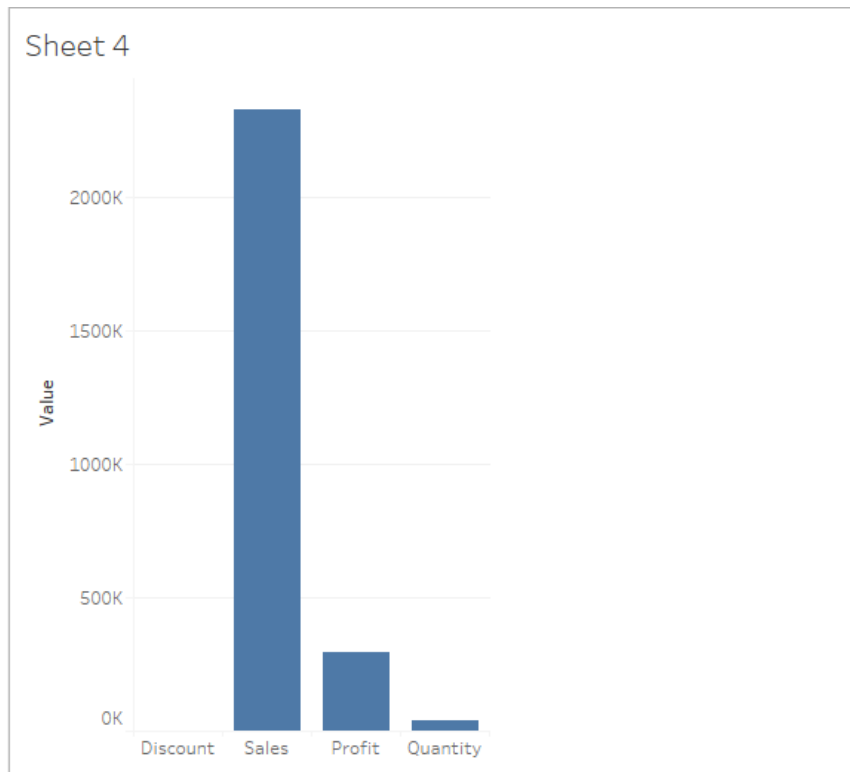


Profit by State



Profit by Manufacture





4.ADVANTAGE:

Helps in identifying the main cost drives of a business.

Provides a detailed understanding of each account in the financial statement.

Enables managers to make informed decisions based on the analysis of the accounts.

Helps in identifying areas where cost savings can be made.

4.1DISADVANTAGE:

Expenditure unwanted costs occurred between process are difficult to prevent. Very expensive. No standard procedure in estimation.

5.APPLICATION:

An expenses is a cost that businesses incur in running their operations. Expenses include wages, salaries, maintenance, rent, and depreciation. Expenses are deducted from revenue to arrive at profits. Businesses are allowed to deduct certain expenses from taxes to help alleviate the tax burden and bulk up profits

6.CONCLUSION:

Cost estimation is an important component of project management that ensures projects are finished on schedule and within budget. Since inaccurate cost estimates can have serious financial consequences for businesses, accurate cost estimating is crucial for all stakeholders engaged in a project.

VIDEO DEMONSTRATION:

<https://youtu.be/H73HcvhPCCA?si=npEllZzAyBmEejh4>