

BUDGET QUESTIONS

1. A properly administered budget should provide assurance that certain conditions will prevail. Which of the following is NOT appropriate to this statement?
 - a) all agency heads will express their financial assumptions in the same terms
 - b) diverse statements of expenses will be reviewed and coordinated by responsible officials
 - c) the agency head will be able to look to the budget director, after final acceptance of the budget, to defend and support his individual role and contribution to the overall budget plan
 - d) it will be possible to review and analyze variances between anticipated and actual financial results to determine what went wrong
2. The major value of performance budgeting is that it
 - a) distinguishes between programs and performance
 - b) enables program planning
 - c) relates output to input
 - d) requires the participation of top officials
3. The most important phase of the budget cycle, from a legal point of view is
 - a) appropriation
 - b) classification
 - c) execution
 - d) formulation
4. The success of a budget allotment program depends primarily on the budget examiner's knowledge of
 - a) departmental accounting procedures
 - b) departmental budget codes
 - c) seasonal patterns of departmental expenditures
 - d) work flow charts of departmental activities

Questions 6 & 7

DIRECTIONS: Answer Questions 6 & 7 on the basis of the following information.

Sample Budget

<u>Refuse Collection</u>	<u>Amount</u>
Personal Services	\$30,000
Contractual Services	\$ 5,000
Supplies and Materials	\$ 5,000
Capital Outlay	<u>\$10,000</u>
	\$50,000

<u>Residential Collections</u>	
Dwellings - one pick up per week	1,000
Tons of refuse collected per year	375
Cost of collections per ton	\$ 8
Cost per dwelling pickup per year	\$ 3
Total annual cost	\$3,000

6. The sample budget shown is a simplified example of a
- (A) factorial budget (B) performance budget
(C) qualitative budget (D) rational budget
7. The budget shown in the sample *DIFFERS* chiefly from line-item and program budgets in that it includes
- (A) objects of expenditure but not activities or functions
(B) only activities, functions and control
(C) activities and functions but not objects of expenditure
(D) levels of service
8. After a budget has been developed it serves to
- (A) assist the accounting department in posting expenditures.
(B) measure the effectiveness of department managers.
(C) provide a yardstick against which actual costs are measures.
(D) provide the operating department with total expenditures.

ANSWER KEY

1. - C
2. - D
3. - C
4. - B
5. - A
6. - B
7. - D
8. - C