CATEGORY: Data Analytics with Tableau

PROJECT TITLE: Estimation of Business Expenses

INTRODUCTION:

1. Overview: A brief description about your project

2. Purpose: The use of this project. What can be achieved using this.

Problem Definition & Design Thinking

An **expense** is an item requiring an outflow of money, or any form of fortune in general, to another person or group as payment for an item, service, or other category of costs.

For a tenant, rent is an expense. For students or parents, tuition is an expense. Buying food, clothing, furniture, or an automobile is often referred to as an expense. An expense is a cost that is "paid" or "remitted", usually in exchange for something of value. Something that seems to cost a great deal is "expensive". Something that seems to cost little is "inexpensive". "**Expenses of the table**" are expenses for dining, refreshments, a feast, etc.

In accounting, *expense* is any specific outflow of cash or other valuable assets from a person or company to another person or company. This outflow is generally one side of a trade for products or services that have equal or better current or future value to the buyer than to the seller. Technically, an expense is an event in which a proprietary stake is diminished or exhausted, or a liability is incurred. In terms of the accounting equation, expenses reduce owners' equity. The International Accounting Standards Board defines expenses as:

...decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.[1]

Expense is a term also used in sociology, in which a particular fortune or price is sacrificed voluntarily or involuntarily by something or someone to something or somebody else, often in the context that the latter is taking advantage of the former.

CASH FLOW:

In a cash flow statement (flow of funds statement), expenditures are divided into three categories:

- Operating: Operational expense – salary for employees
- Investing: Capital expenditure – buying equipment
- Expenditures (financial) Financing expense – interest expense for loans and bonds

Whether a particular expenditure is classified as an expense, which is reported immediately on the business's income statement or whether it is classified as a capital expenditure (or an expenditure subject to depreciation), which is not an expense flow of funds statement. Though,

these latter types of expenditures are reported as expenses when they are depreciated by businesses that use accrual-basis accounting- as most large businesses and all C corporations do.

Defining an expense as capital or income using the most common interpretation depends upon its term.

When an expense is seen as a purchase, it alleviates this distinction. Soon after the purchase (that which was expenses holds no value), it is usually identified as an expense. It will be viewed as capital with life that should be amortized/depreciated and retained on the balance sheet if it retains value soon and long after the purchase.

EMPATHY MAP:

Brainstorm & idea prioritization

Use this template in your own brainstorming sessions so your team can unleash their imagination and start shaping concepts even if you're not sitting in the same room.

- 🕐 **10 minutes** to prepare
- ⏳ **1 hour** to collaborate
- 👤 **2-8 people** recommended

💬 Share template feedback

→

Before you collaborate

A little bit of preparation goes a long way
with this session. Here's what you need
to do to get going.

⏱ 10 minutes

A **Team gathering**
Define who should participate in the session and send an
invite. Share relevant information or pre-work ahead.

B **Set the goal**
Think about the problem you'll be focusing on solving in
the brainstorming session.

C **Learn how to use the facilitation tools**
Use the Facilitation Superpowers to run a happy and
productive session.

Open article   →

①

Define your problem statement

What problem are you trying to solve? Frame your problem as a How Might We statement. This will be the focus of your brainstorm.

⏱ 5 minutes

PROBLEM

How might we [your problem statement]?

Key rules of brainstorming

To run an smooth and productive session

😊 Stay in topic.

💡 Encourage wild ideas.

😊 Defer judgment.

👂 Listen to others.

🔋 Go for volume.

👁 If possible, be visual.

2

Brainstorm

Write down any ideas that come to mind
that address your problem statement.

🕐 10 minutes

Person 1

Person 2

Person 3

Person 4

Person 5

Person 6

Person 7

Person 8

3

Group ideas

Take turns sharing your ideas while clustering similar or related notes as you go. Once all sticky notes have been grouped, give each cluster a sentence-like label. If a cluster is bigger than six sticky notes, try and see if you and break it up into smaller sub-groups.

🕐 **20 minutes**

4

Prioritize

Your team should all be on the same page about what's important moving forward. Place your ideas on this grid to determine which ideas are important and which are feasible.

⏱ 20 minutes

Accurate expense estimates can enhance investor confidence by showing that the business is well prepared and capable of managing its finances effectively

Businesses think about how their current estimations impact their ability to expand, scale, or launch new products or services in the future.

Realistic expense estimates contribute to stable operations and can positively affect employee morale in business.

→
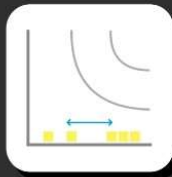
After you collaborate

You can export the mural as an image or pdf to share with members of your company who might find it helpful.

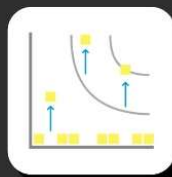**Quick add-ons**

A **Share the mural**
Share a view link to the mural with stakeholders to keep them in the loop about the outcomes of the session.

B **Export the mural**
Export a copy of the mural as a PNG or PDF to attach to emails, include in slides, or save in your drive.

Keep moving forward

Strategy blueprint
Define the components of a new idea or strategy.

Open the template →

Customer experience journey map
Understand customer needs, motivations, and obstacles for an experience.

Open the template →

Strengths, weaknesses, opportunities & threats
Identify strengths, weaknesses, opportunities, and threats (SWOT) to develop a plan.

Open the template →

🗨 Share template feedback

EXPENSES MANAGEMENT:

Expense management refers to the systems deployed by a business to process, pay, and audit employee-initiated expenses. These costs include, but are not limited to, expenses incurred for travel and entertainment. Expense management includes the policies and procedures that govern such spending, as well as the technologies and services utilized to process and analyze the data associated with it.

Software to manage the expense claim, authorization, audit and repayment processes can be obtained from organizations that provide a licensed software, implementation and support service, or alternatively, from software as a service (SaaS) providers. SaaS providers offer on-demand web-based applications managed by a third party to improve the productivity of expense management.

Steps[edit]

Expense management automation has two aspects: the process an employee follows in order to complete an expense claim (for example, logging a hotel receipt or submitting mobile phone records) and the activity accounts or finance staff undertake to process the claim within the finance system.

Typically, a manual process will involve an employee completing a paper, spreadsheet, or graphical user interface-based expense report that they then forward, along with the relevant tax invoices (receipts), to a manager or other controller for approval. Once the manager has approved the claim, they forward it on to the accounts department for processing. The accounts staff then key each expense item into the company's finance system before filing the claim and receipts away. In a Software as a Service implementation, these processes are largely automated and the submission and approvals processes are transacted electronically.

Expense Management automation is the means by which an organization can significantly reduce transaction costs and improve management control when logging, calculating and processing corporate expenses. Independent research evaluating the use of automated expense management systems has confirmed that the cost of processing an expense claim is reduced as the level of automation increases.

Organizations may automate their expense management processes for reasons such as compliance, cost reduction, control, and employee productivity.[1]

Types[edit]

Business strategies are tailored to various types of expense management:

- Spreadsheets: Spreadsheets can be an easy, cheap way to keep track of expenses, but they still have paper receipts that go along with them that can be lost or damaged. This can also be a labor-intensive method and it can be confusing if employees are not good at using spreadsheets.
- Paper forms: Paper forms work well with paper receipts. This is also an inexpensive way to manage expense reports. However, this can amount to a lot of manual work of logging and tracking these reports for both employees, approvers, and the people who need to pay the bills in the accounting department.
- Software: Software reduces the workload, but it also can cost more in the beginning to implement. According to the Aberdeen Group's report, "Best-In-Class T&E Expense Management: How They Do It,"[2] software can solve the major problems of compliance, manual labor, approval time, and the cost of expense reporting overall.

Telecom expense management[edit]

Telecom Expense Management (TEM) is the process of managing large enterprises communications costs to include fixed voice and data, mobile

Human resources

Main article: [Human resources](#)

Human resources can be defined as division of business that involves finding, screening, [recruiting](#), and [training](#) job applicants.[21] Human resources, or HR, is crucial for all businesses to succeed as it helps companies adjust to a fast-moving business environment and the increasing demand for jobs.[21]

The term "Human Resource" was first coined by [John R. Commons](#) in his novel '*The Distribution of Wealth'.* HR [departments](#) are relatively new as they began developing in the late 20th century. HR departments main goal is to maximize employee productivity and protecting the company from any issues that may arise in the future. Some of the most common activities conducted by those working in HR include increasing innovation and creativity within a company, applying new approaches to work projects, and efficient training and communication with employees.

Two of the most popular subdivisions of HR are [Human Resource Management](#),[22] HRM, and [Human Resource Information Systems](#), [23] or HRIS. The HRM route is for those who prefer an [administrative](#) role as it involves oversight of the entirety of the company. HRIS involves the storage and organization of [employee](#) [data](#) including full names, addresses, means of contact, and anything else required by that certain company.

Some careers of those involved in the Human Resource field include enrollment specialists, HR analyst, recruiter, employment relations manager, etc.

Organization and regulation

See also: [Theory of the firm](#)
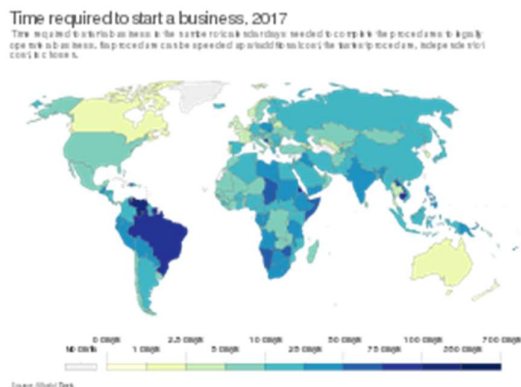
Time required to start a business in 2017[34]

Most legal [jurisdictions](#) specify the forms of ownership that a business can take, creating a body of [commercial law](#) for each type.

The major factors affecting how a business is organized are usually:

- The size and scope of the business firm and its structure, management, and ownership, broadly analyzed in the [theory of the firm](#). Generally, a smaller business is more flexible, while larger businesses, or those with wider ownership or more formal structures, will usually tend to be organized as corporations or (less often) partnerships. In addition, a business that wishes to raise money on a [stock market](#) or to be owned by a wide range of people will often be required to adopt a specific legal form to do so.
- The sector and country. Private profit-making businesses are different from government-owned bodies. In some countries, certain businesses are legally obliged to be organized in certain ways.
- [Tax advantages](#). Different structures are treated differently in tax law and may have advantages for this reason.
- Disclosure and compliance requirements. Different business structures may be required to make less or more information public (or report it to relevant authorities) and may be bound to comply with different rules and regulations.
- Control and coordination requirements. In function of the risk and complexity of the tasks to organize, a business is organized through a set of formal and informal mechanisms.[35][36] In particular, [contractual](#) and relational governance can help mitigate [opportunism](#) as well as support communication and information sharing.[36]

Many businesses are operated through a separate entity such as a corporation or a partnership (either formed with or without limited liability). Most legal jurisdictions allow people to organize such an entity by filing certain charter documents with

Top 10 Companies in India by Highest Revenue

Here is the list of top Indian companies by revenue in India:

Company Name	Industry	Revenue (INR)	Market Cap (INR)

Reliance Industries Limited	Conglomerate	₹5,39,000 Crores	₹14,34,000 Crores
Indian Oil Corporation Limited	Oil and Gas	₹5,14,000 Crores	₹1,14,000 Crores
Tata Motors Limited	Automotive	₹2,67,000 Crores	₹86,000 Crores
State Bank of India	Banking	₹2,64,000 Crores	₹1,95,000 Crores
Bharat Petroleum Corporation Limited	Oil and Gas	₹2,59,000 Crores	₹60,000 Crores
Hindustan Petroleum Corporation Limited	Oil and Gas	₹2,27,000 Crores	₹42,000 Crores
Oil and Natural Gas Corporation Limited	Oil and Gas	₹2,22,000 Crores	₹1,08,000 Crores
Tata Consultancy Services Limited	IT Services	₹1,73,000 Crores	₹13,33,000 Crores
Infosys Limited	IT Services	₹1,57,000 Crores	₹7,64,000 Crores
Larsen & Toubro Limited	Conglomerate	₹1,46,000 Crores	₹3,88,000 Crores

Top 10 Best and the Most Profitable Businesses in India

The most trending, latest, most popular and most profitable business in India that one can do in today's time to earn booming profits are given below:-

1. Food and Beverage Business- A Business Related to Hospitality Industry

India has approximately 1.25 billion consumers of food with all the foodies and lovers of food out there. Also, India is one of the fastest-growing economies in the world. Food constitutes a major chunk of our culture and heritage. India has a varied sub-culture with each type of food and cuisine belonging to each specific sub-culture. Exporting spices or starting a food chain franchise can be a profitable business in India as India is one of the largest exporters of spices in the world. With new food trends coming daily, it can reap umpteen amounts of profits. This is the reason that this business comes under the top ten business in India.

2. Organic Farming

According to the general census and statistics, nearly 70 per cent of Indians are involved in farming or agriculture, due to it is one of the top 10 businesses in India. Organic farming can be a very lucrative business in India because of the abundance of natural resources and fertile land. India is comprised of nearly 20 per cent of the total organic producers across the globe.

3. Travel Agency or Business related to Tourism Industry

It is one of the best business in India for wanderlusts out there. India is also considered to be one of the most popular destinations for tourists. Many international tourists come to travel to India every year. According to the WTTC rankings, India ranks 10 out of 185 countries for the contribution of tourism to the GDP. However, businesses like travel agencies need to collaborate with other likewise sectors for sustainability such as the hospitality and transport industries to give it a required kickstart.

4. Pharmaceutical Business

India is one of the largest contributors and exporters of generic drugs in the world. The revenue of the Indian pharmaceutical industry says it all. It was 55 million dollars in the financial year of 2020. This sector has a vast scope for progression and development with all the latest pharmaceutical trends pouring in. The scope for growth and potential career options in this industry is tremendous. This industry is very progressive with a large workforce including doctors, engineers, scientists, and researchers.

5. Website Designing- A Living Dream for all the Tech Enthusiasts

Digital marketing and online blogging and vlogging are in vogue nowadays. Everyone aspires to be a content creator or a blogger nowadays. According to a report by Adobe, 48 per cent of people stated that the design of a website is a primary factor in determining the credibility of a business. Due to the pandemic, online businesses have become the new normal. Techies can surely help new start-ups and newly budding online businesses in creating and setting up their websites. Due to the high demand for websites, it is considered to be one of the most profitable businesses in India.

6. Real Estate Business

The real estate sector in India is expected to reach 1 trillion USD dollars by the end of the year 2030. Real estate has always been a thriving business in India with the rapid and swift rate of urbanisation. Real estate is one of the most booming sectors in India with a plethora of businesses and job opportunities. Housing sales alone reached 2.61 lakh units across seven major Indian cities in the year 2019. However, the backoff point for this business is that it is quite expensive and one needs a very high capital for investment.

7. Wedding Planners- A Lucrative and a High Fashion Business

Big fat weddings in India are the norm. Over the past few years, themed weddings have become quite popular. The 'Big Fat Indian Wedding' market is around 40-50 million dollars in worth and is growing at a rate of 30-40 per cent each year. Wedding planning is considered to be one of the most lucrative and stylish businesses as it caters the multiple income brackets and it's quite interesting and innovative also.

Read More: GST Software | AP Automation Software | E Invoice | Invoice Processing | GST Payment | Accounts Payable | e-Invoicing | EWay Bill

8. Virtual Business or Cloud-Based Business

One can start any sort of online business such as an online clothing brand, can give online tuitions or digital art or marketing business. One can also start a confectionery home bakery too. The online setup does not require much hassle and investment. Just polishing and good marketing and communication skills can do wonders. Online businesses of any kind have the potential to reap a lot of profits and it can go a long way.

9. Labour Contractor

Contract workers make up 34% of India's massive workforce. As India is a developing economy, there's always a requirement for contract workers to contribute to the ever-growing economy. It's one of the most happening businesses with minimal capital investment. Just one needs to comply with all the legal requirements before starting this business.

10. Photography- An Everlasting Skill

Photography has a lot of scope in today's world. One can be a wedding photographer as lots of pre-wedding photoshoots with a variety of themes are coming up nowadays. People also want their shots in the best possible way. Therefore, everyone needs a good and professional photographer nowadays. However, a good DSLR camera with a lens and tripod is the basic requirement for this business. It can be expensive but one can always avail of the facility of personal loans.

Hope, this article helps you understand which business is best in India.

CONCLUSION:

Controlling expenses is an extremely important task for financial managers today. Optimization of expenses can help companies outperform the industry. However, this should also be done in a way where quality is not compromised.