



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
MARCH 2014 EXAMINATION**

COURSE CODE: PSM 829

CREDIT UNIT: 2

COURSE TITLE: BUDGETING AND BUDGETING PROCEDURE

TIME ALLOWED: 2hours

Instructions: 1. Attempt question number one (1) and any other (2) questions.

2. Question number 1 carries 30 marks, while the other questions carry 20 marks each.

3. Present all your points in coherent and orderly manner.

1a. Explain what budget is all about?

1b. Sequentially present the process of Zero based budgeting?

1c. State and explain the various stages involved in the budgeting process before a budget proposal is approved.

1d. What are the advantages of the Incremental Budgeting Method?

2a. List and explain any five factors affecting budget implementation in the public sector

2b. Mention any five pre-requisite for budgetary control technique.

3. Assuming the operating managers are involved in preparing a budget can you name some behavioural problems in the **planning** and **implementing** stages they may likely exhibit in budgeting?

4a. What are functions of the Accountant-General of the Federation?

4b. Explain the term “payback period method”; mention 3each advantages and disadvantages of it

5a. What do you understand strategic decision making process?; mention three (3) features of it.

5b. In order to make better strategic decision, list at least five (5) steps strategic decision

making process to be made.

5c. Explain the term "Personnel Cost Budget" and list four (4) procedures preparation of it.