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Commonwealth Educational Media Centre for Asia

**European Union (EU) Switch Asia "Bamboo4SD"  
Financial and Business Literacy Campaign**

व्यवसाय एवं वित्तीय शिक्षण अभियान

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# FINANCIAL PLANNING

Setting Goals, Prioritizing, Budgeting

Is Financial Planning important for any Business ?



Financial management is an important stage of any business plan, wherein **income** and **expenditure** are estimated.



# Identifying Expenses



**Identifying expenses** is most important in financial management

- It is also very important to assess **personal expenses** and **expenses incurred on business** separately. We do not consider personal expenses as separate from business often and suffer huge losses.
- Some expenses are fixed to happen in future, and some are unprecedented. For example, the expenses incurred on **child's study, house construction, marriage** etc. are predetermined,.
- But other expenses like some unfortunate incidents of death of any member, destroyed **crops, theft, and accident** are some sudden expenses. We need financial planning for such sudden expenses.



# Executing Financial Plan in Business

While making a financial plan for the business, it is necessary to invest in the initial phase of the business. You must estimate expenses incurred in starting a business such as **supply of raw materials, expenses on furniture, electrical and electronic equipment**, and other necessary equipment's.

In the second phase of financial planning, estimation of income and expenditure are executed. In this phase, the cost incurred every month is estimated



# Cash flow

When we buy products from a big seller, they give some time to pay back. Similarly, if we sell goods further, we also give some time to pay.

Balance between these two payment-cycles is necessary otherwise there may be problem in payment structure.



# Costing



The profit margin of the product depends on the difference between the price and cost of the product.

Therefore, attention should always be paid to maintain the incurred expenses at the lowest, on the product.

## While Determining the Value of a product, keep these things in mind

- Price of raw materials including transportation
- Work cost determination in which wages, electricity and other incurred expenses
- Decreasing prices and cost of supply with the use of building and machines
- Loan interest and insurance expenses from bank
- Product packing, freight costs
- Desired profit
- Second supplier price

# Book-Keeping

- **Accounting** is the most important aspect of financial management of any business. Write and calculate every expense and income honestly.
- It is easy to fill **income tax returns** by doing book-keeping regularly



# Goods and Service Tax (GST)



It is also mandatory for every businessman to get registered in **GST** and GST payment is **mandatory** on every purchase and sale.

GST that is goods and service tax is an indirect tax. A similar tax is levied on goods and services under GST.

Any  
**Questions?**





# Thank you!

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