1. A (~~loan application~~ / budget) is a detailed financial plan that quantifies future expectations and actions relative to acquiring and using resources.

2. Budgets (should / should not) be used to provide managers with "preapproval" for execution of spending plans.

3. The (master budget / sales budget) is a comprehensive document specifying sales targets, production activities, and financing actions.

4. "Responsibility accounting" is a concept under which managers are held accountable for transactions and events (beyond / under) their direct influence and control.

5. Some entities will follow a top-down (mandated / participative) approach to budgeting.

6. A deliberate effort to create "breathing room" within a budget is known as ("padding the budget" / "aerating").

7. With (incremental budgeting / zero-based budgeting), each expenditure item must be justified for the new budget period.

8. The starting point for the master budget is an assessment of anticipated (sales / production).

9. This comes before the other: (production budget / materials purchases budget).

10. A (static budget / flexible budget) is not designed to change with changes in activity level.