



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



# **SUBJECT: FINANCIAL MANAGEMENT**

## **LEVEL: 2**

# **MODULE 10: IDENTIFYING EXPENSES THAT REQUIRE IMPROVEMENT**

# REDUCING EXPENSES

After completing this topic, you will be able to:

- Identify expenses that require improvement.
- Understand ways of controlling expenses.
- Perform and interpret basic calculations related to expenses and ways which they can be reduced.

# TYPES EXPENSES

- Wages.
- Insurance.
- Telephone.
- Water and electricity.
- Maintenance expenses.
- Fuel expenses
- Depreciation.
- Bad debts.
- Advertising.
- Packaging material.

# EXPENSE CONTROL

- To control the expenses of a business and their influence on profit, the financial manager can:
  - ✓ Compare expenses over a period of two or more years.
  - ✓ Use ratio calculations.
  - ✓ Go through Example page 135.