

# [Afm assignment](https://assignbuster.com/afm-assignment/)

Participative budgeting has some advantages, first, employees are transferring information to their superior and because of that budgeting will likely to be more reliable and accurate as the employees has direct contact with the activity and therefore is in the best place to make budget estimates. Participative budgeting style also increases job satisfaction as the employees see their suggestions and recommendations are being implemented or put to practice. Psychologically, this tells the individuals that they are an important parts of the company, not just a mere worker.

And since the reports are come from worker that are at the execution level. This means that all the details are taken care. Thus, the quality is improved. Disadvantages: Even participative budgeting making leads to better participation of all the employees, there are undoubtedly some disadvantages too. Which are, decision making slows down, participative budgeting stands for increased participation and when there are many people involved in decision making, the process definitely slows down. Inputs and feedback starts pouring from each side.

It takes time to verify the accuracy of measurements which means that decision aging will be slowed down. Second is security issue, the security issue in participative management also arises from the fact that since early stages too many people are known to lots of facts and information. This information may transform into critical information in the later stages. There is thus a greater apprehension of information being leaked out. Reference: http://www. Studded. Com/essays/Participative-Budgeting-Len -Managerial-Accounting-42849. HTML //// http://misunderstandings. Com/ FM Assignment By veterinarian