

# [Budgets and performance of guillermo](https://assignbuster.com/budgets-and-performance-of-guillermo/)

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This strategy is not in line with the values of its current business. Keeping all things into consideration, Guillermo makes the budgets and evaluate variances and takes corrective measures when and where required in order to run its business smoothly and efficiently.   
2. How might ethics influence his accounting decisions   
Every single businessman wants his business to run smoothly without any hindrance. In Guillermo's scenario, he manipulated the figures in order to make the business attractive, which is unethical. From Guillermo's accounting decision perspective, he manipulated the sales; the variable cost per unit, and unit sales in order to attract the outside companies, like making the figures attractive for the Norwegian company. So it is very important for Guillermo not to take and adopt unethical values in his decision making because it may be very good in the short-run but can prove disastrous for the company in the long run (Garrison, 2004).   
3. What accounting information is most relevant for Guillermo to consider when making decisions   
Guillermo should consider the following accounting information, as it is most relevant to decision making:   
The company's current sales figure both in terms of unit and in volume (Garrison, 2004).   
If Guillermo chooses the robot option it increases his capital expenditure.   
Impact on direct labor and FOH cost in both scenarios (Robot or distribution).   
Company's current financing position, which would indicate whether they are capable to take more debt or equity, or what proportions of each.