

Examination on Budgetary Control

R. Ramamoorthy, Gowtham Aasirvad Kumar, Magdalene Peter

Abstract: Arranging incorporates the establishment of predestined goals, the itemizing of genuine execution results and evaluation of execution with respect to the destined targets. Budgetary control structures are comprehensive and have been seen as an essential contraption for cash related orchestrating. The inspiration driving budgetary control is to give a figure of livelihoods and utilizations this is practiced through structure a model of how our business may perform fiscally if certain philosophies, events and plans are finished. Most firms use spending control as the fundamental techniques for corporate inside controls, it gives an extensive the board stage to beneficial and effective assignment of advantages. Budgetary controls enable the supervisory group to make courses of action for the future through executing those plans and watching activities to see whether they fit in with the game plan, suitable use of budgetary control is a huge affirmation for the feasible use of spending plan in the affiliation. This assessment broke down the budgetary control in Non-Governmental Organizations and its effects on their display. The investigation target masses included 7,127 Non-Governmental Organizations[1],[3],[5]

Keywords : Budget,framework,sysytems

I. INTRODUCTION

A spending farthest point is a budgetary game plan for the future concerning the livelihoods and costs of a business. Nevertheless, a spending point of confinement is about essentially more than basically cash related numbers. Budgetary control is the methodology by which financial control is polished inside an affiliation. [2],[4],[6]

Spending plans for cash/salary and use are set up early and a short time later stood out from genuine execution with develop any changes. Chairmen are accountable for controllable costs inside their money related breaking points and are required to cause restorative move if the horrible variances to develop and they are seen as outrageous. [7],[9],[11]

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R.Ramamoorthy, Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India. Email: ramamoorthy0071@gmail.com

Gowtham Aasirvad Kumar, Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India. Email: kgowthamaashirwad123@gmail.com

Magdalene Peter, Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India. Email: magdalene.bsb@gmail.com

II. OBJECTIVES

A. PRIMARY OBJECTIVE

To study on Budget and Budgetary Control at Fastronic Teleservices Private Limited, Mylapore, Chennai.

B. SECONDARY OBJECTIVE

To examination similar investigation of both past year and current year execution of the association. [8],[10],[12]

- To think about the previous year and current year execution of the association with the assistance of accounting report and salary proclamation.
- To break down the proportion in the association

III. SCOPE OF THE STUDY

- The present investigation is kept to the investigation of frameworks and systems in assessment of budgetary control procedures that are been utilized in FASTRONIC TELESERVICES PRIVATE LIMITED.
- The investigation directed on spending plan and budgetary control of FASTRONIC TELESERVICES PRIVATE LIMITED is spread the all money related territory of divisions like creation, deals, fund, and so forth,.
- Anyway spending plan and budgetary control bolster the top level administration to take an appropriate choice, in crafted by application.

IV. STATEMENT OF THE PROBLEM

Numerous business firms perceive the need a created and far reaching budgetary control framework so as to limit spending differences, costs and augment productivity. Budgetary control is as pivotal as money itself and any burglary, squander, exorbitant use or stock out could prompt the business' lackluster showing. Fastronic teleservices private constrained has recognized that its presentation is impacted by budgetary control. This is prove by a budgetary shortfall of shillings 19.3 cr in the time of 2011 fiscal reports. It is against this situation that has been picked enthusiasm for dissecting the impact of spending plan and budgetary controls on business execution. [13], [15],[17]

V. RESEARCH METHODOLOGY

A. MEANING:

The procedure used to gather data and information to settle on business choices. The strategy may incorporate production inquire about, interviews, overviews and other research strategies and could incorporate both present and authentic data.

B. PRIMARY DATA:

It is additionally called as first given data the information is gathered through the perception in the association and by posing inquiries with the records and different people in the budgetary divisions. A section from these some data was gathered through the courses, which were held by FASTRONIC TELESERVICES PRIVATE LIMITED, CHENNAI. [14],[16], [18]

C. SECONDARY DATA

These auxiliary information is existing information which is gathered by others that is sources are money related diaries, yearly reports, utilization of web, standard reference course readings and information given by the FASTRONIC TELESERVICES PRIVATE LIMITED, CHENNAI. [19],[21],[23]

D. PERIOD OF THE STUDY

The research took three months for the studying the budget and budgetary control for the past and future operations of an organization. [20],[22], [24]

VI. ANALYSIS AND INTERPRETATION

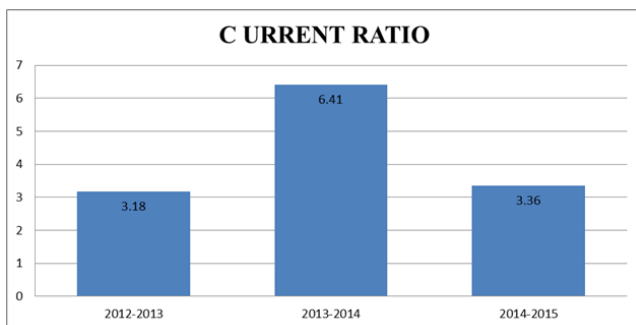
All the data were analyzed and interpretations were made by using various financial tools and techniques.

TOOLS AND TECHNIQUES USED:

- 1. RATIO ANALYSIS
- 2. COMPARATIVE STATEMENT
- DATA ANALYSIS AND INTERPRETATION
- RATIO ANALYSIS

CURRENT RATIO:

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	TOTAL
2013-2014	10432016.38	3109422.62	3.36
2012-2013	13796193.00	2150663.00	6.41
2011-2012	7743742.00	2435572.00	3.18

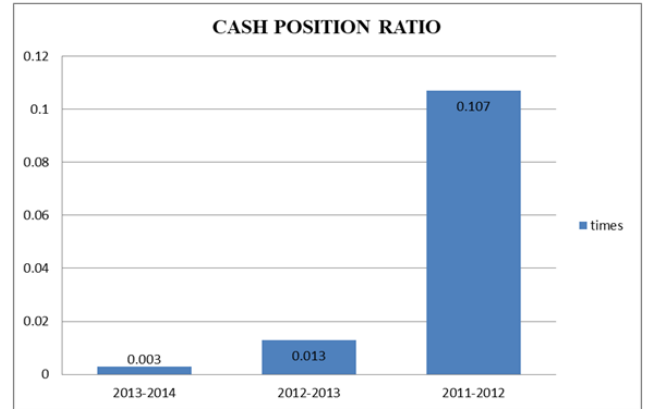


INTERPRETATION:

As per the above table and chart the current ratio of the organization in 2012-2013 is 3.18 times, in 2013-2014 the percentage is high by 6.41times and in 2014-2015 became reduced by 3.36 times. [26],[28],[30]

CASH POSITION RATIO

YEAR	CASH AND BANK BALANCES + MARKETABLE SECURITIES	CURRENT LIABILITIES	TOTAL
2013-2014	11196	2109422.62	0.003
2012-2013	28906	2150663	0.013
2011-2012	260873	2435572	0.107

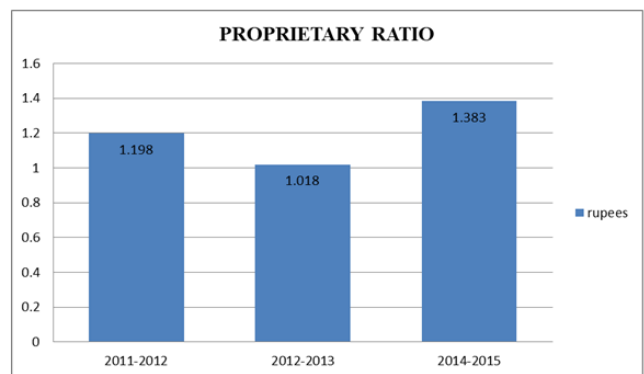


INTERPRETATION

As per the above table and chart the cash position ratio of an organization in the year 2012-2013 is 0.107 times high than the other two years of 2013-2014 is 0.013times and in the year 2014-2015 is 0.003 times less than the previous year. [25],[27],[29]

PROPRIETARY RATIO

YEAR	SHAREHOLDER'S FUND	TOTAL TANGIBLE ASSETS	TOTAL
2013-2014	100000	72298	Rs. 1.383
2012-2013	100000	98242	Rs. 1.018
2011-2012	100000	83455	Rs. 1.198



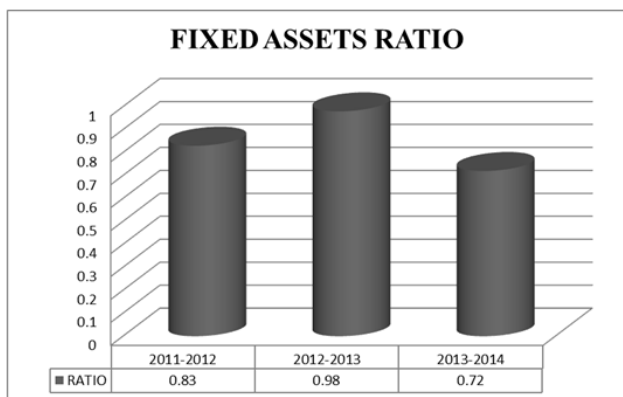
INTERPRETATION

As per the table and chart the proprietary fund of the organization in the year 2012-2013 is Rs. 1.198, in the year 2013-2014 is Rs. 1.018 and in the year 2014-2015 is Rs. 1.383 during the financial period.



FIXED ASSETS RATIO

YEAR	FIXED ASSETS	CAPITAL EMPLOYED	RATIO
2013-2014	72298	100000	0.72
2012-2013	98242	100000	0.98
2011-2012	83455	100000	0.83

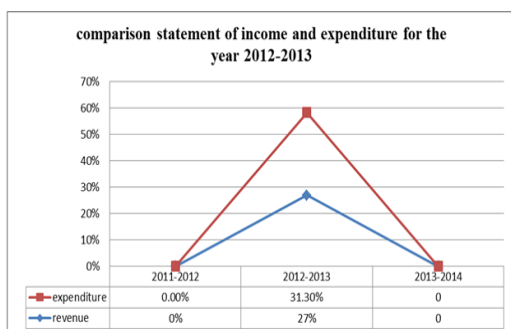


INTERPRETATION

As per the table and chart the fixed asset ratio should not be more than 1 as per the note in the year 2011-2012 is 0.83, 2012-2013 is 0.98 and in 2013-2014 is 0.72 the capital employed are invested in fixed assets which means a reasonable portion of it are used to finance the fixed portion of working capital. [31],[33],[32]

COMPARATIVE INCOME STATEMENT FOR THE YEAR 2012-2013

PARTICULARS	2012 (Rs.)	2013 (Rs.)	AMOUNT	PERCENTAGE
Income	26846963	19656143	7190820	27%
Other income	1755	12680	10925	62%
Total revenue(A)	26848718	19668823	7179895	27%
EXPENSES				
Purchase of stock	3110620	-	3110620	100%
Employee benefit expense	9456015	9909161	453146	5%
Financial cost	561	1437	876	1.56%
Depreciation and amortization cost	8192	24213	16021	1.96%
Other expenses	14765477	8845562	5919915	40%
Total expenses (B)	27340865	18780373	8560492	31.3%
Total income for the year 2012-2013	492147	888450	396303	81%

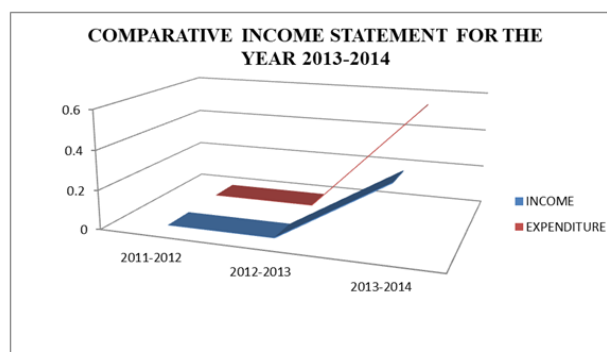


INTERPRETATION

As per the chart and table for the 2012 - 2013 expenditure is of high by 31.3% and income is 27% less than the expenditure. They have to decrease the unwanted expense and increase the income for the following years.

COMPARATIVE INCOME STATEMENT FOR THE YEAR 2013-2014

PARTICULARS	2013 (rs.)	2014 (rs.)	AMOUNT	PERCENTAGE
Income	19656143	13201350	6454793	33%
Other income	12680	-	12680	100%
Total income (A)	19668823	13201350	6467473	32.8%
EXPENSES				
Purchase of stock				
Employee benefit expenses	9909161	4950650	4958511	50%
Financial cost	1437	662.36	774.64	54%
Depreciation and amortisation	25944	25944	0	0
Other expenses	8845562	7223129.91	1622432.09	18.34%
Total expenses (B)	18782104	12200386.27	6581717.73	55%
Total income for the year 2013-2014	886719	1000963.73	114244.73	12.9%



VII. RESULTS

The analysis of current ratio during the following years

- 2011-2012 – 3.18 times
- 2012-2013 – 6.41 times
- 2013-2014 – 3.36 times

The analysis of cash position ratio during the following years

- 2011-2012 – 0.107 times
- 2012-2013 – 0.013 times
- 2013-2014 – 0.003 times

The analysis of proprietary ratio during the following years

- 2011-2012 – rs.1.198
- 2012-2013 – rs.1.018
- 2013-2014 – rs.1.383

The analysis of fixed assets ratio during the following years

- 2011- 2012 – 0.83
- 2012- 2013 – 0.98
- 2013-2014 – 0.72

The computation of income and expenditure for the year 2012-2013 is 27% and 31.3% which makes profit to the concern.

The computation of income and expenditure for the year 2013-2014 is 32.8% and 55% which makes profit to the concern.

VIII. DISCUSSION

- Based on the current ratio the liabilities are below the current assets and they have to look up on the capital funding of their project during the financial year.
- During the cash position is the liquid handled by the financier of the



concern and he should to the workers when they are need of it.

- During the proprietary fund is also provided averagely for the service rendered by him/ her in the organization.
- The fixed assets ratio the capital employed used for financing fixed assets. The ratio should not be more than 1 due to the part of working capital that is also been used for financing the investment of capital in the business.
- The increase or decrease of each item should be shown as percentage of the first year value i.e. 2012-2013. Thus the first year is deemed as 'base year' for the calculation of percentage.
- The increase or decrease of each item should be shown as percentage of the first year value i.e. 2013-2014. Thus the first year is deemed as 'base year' for the calculation of percentage.

IX. CONCLUSION

The study on overall production of a privately owned organization was aimed at gaining the practical knowledge regarding the production of the concern at a period of measures is of 3 years with reference to Fastronic Teleservices Private Limited, Chennai. The study is completed successfully within the limited period of time with help, guidance and co-operation of the officials. Some of the suggestions have been accepted and appreciated for implementation and some are implemented.

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AUTHORS PROFILE



R. Ramamoorthy Assistant Professor ,Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India



Gowtham Aasirvad Kumar Assistant Professor ,Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India



Magdalene peter Assistant Professor ,Department of MBA, Bharath Institute of Higher Education and Research, Tamilnadu, India