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UNIVERSITY BUDETING PRACTICE IN KARNATKA: A COMPARATIVE STUDY



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ABSTRACT:

The planning and budgetary control is two significant functions of financial administration. Budgetary control system plays an important role in financial administration. A review of the present budgetary system in state universities with special reference to Gulbarga University and Mangalore University. Budgeting is “a pre-determined detailed plan of action developed and distributed as a guide to current operations and as a basis for the subsequent evaluation of performance”. This statement consists of three important aspects, such as; 1. It is a plan of action, 2. It is a guide to current operations and 3. It is a basis for evaluation of performance¹. This study is based on secondary sources of information. The purpose of the study is to understand the budgeted and actual receipts and actual expenditure, and to measure financial performance of two universities, we have selected Gulbarga

University & Mangalore University for comparison. Our study period is five year from 2008-09 to 2012-13. To found the total budget, actual receipts and actual expenditure were calculated manually. Finally findings and suggestion were offered.

KEYWORDS : financial administration, evaluation of performance, action developed and distributed

INTRODUCTION:

Later the term came to popularly denote a 'statement of revenue and expenditure of an individual or of an organization particularly that of the government'. Gradually the budget has evolved itself into a total concept. It has remained no more a simple statement of requirements and resources of an organization. Rather, it has emerged as a significant management tool and an instrument of policy orientation in the working of the organization. As such, 'Budget', at present, symbolizes a "comprehensive and coordinate plan expressed in financial terms, for the operation and resources of an enterprise for some specific period in future."²

The intent and purpose with which budgets of an organization are formulated, used and administered give rise to the concept of 'budgeting' and 'budgetary control'. It may be mentioned here that the 'budget' forms the basis of both the 'budgeting' and budgetary control'. Budgeting refers to the process of budget- preparation and its administration while 'budgetary control' signifies the financial control over the working of the organization.

Revision of budget estimates during the currency of the financial year is a common practice in the government department and other public and service institutions. Pursuing a similar tradition, preparation of revised budget estimates in the two universities has been declared an accounting necessity.

Objectives Of The Study:

The following objectives are set for this study.

1. To know the Budgeting system in Gulbarga university.
2. To understand the Budgeting system in Mangalore university
3. To offer suggestions in the lightings of findings.

Methodology:

The following methodology has been chosen for this study.

The present study selected two universities such as Gulbarga University and Mangalore University for comparison. This study based on secondary sources of information. The study focuses on budget estimate, actual receipt and actual expenditure. The information relating to present working two universities were collected from the Budget Estimate books and Annual Accounts for the period five years from 2008-09 to 2012-13. The collected data is systematically compiled, classified, tabulated, Analyzed and interpreted. The study presents over budget estimated and under budget estimate by universities. Examine the total actual receipts and actual expenditure was calculated manually. The valuable findings and suggestions were explained.

Scope Of The Study:

This paper is expected to produce results and analysis along with findings which will help the respective university to plan and formulate different policies and programs and also to develop action plans. This is in term bring incremental improvement in the performance and administrative of

university finance. Moreover, this type of study ensures optimum utilization scarce resources call finance.

Data Analysis And Discussion:

An attempt has been made to ascertain the efficiency of budgeting in the two universities on the basis of above parameters. The results of the analysis have been summarized in Tables 01 and 02.

TABLE - 01
Budgeted and Actual Receipts and Expenditure of Gulbarga University (Rs in Lakh)

Year	Receipts		Expenditure	
	Budget estimated by the university	Actual	Budget estimated by the University	Actual
2008-09	5739.57	5964.72	5926.31	4221.45
2009-10	5514.71	7598.98	5651.91	4796.11
2010-11	8815.41	9133.92	9466.56	5676.71
2011-12	6092.77	9049.51	6542.35	6199.59
2012-13	8567.43	9583.43	9176.11	7229.06
Total	34729.89	41330.56	36763.24	28122.92

Source: Budget Estimates and Annual Accounts of Gulbarga University.

Tables -01 summaries the 'budget estimates' and 'actual of the receipts and expenditure of the Gulbarga university Gulbarga during 2008-09 to 2012-13. Certain insightful facts are discernible from the table. First, the estimates of receipts as well as expenditure have varied often considerably secondly, it seems that the university has developed the tendency to under estimate both its receipts and expenditure. Thirdly, in some of the years variations have been perplexing. The receipt of the university in 2008-09, 2009-10, 2011-12, 2011-12 and 2012-13 for example was underestimated by more than 103.92, 137.79, 103.61, 148.52 and 111.86 per cent respectively. Similarly, the expenditure of the university, during 2008-09, 209-10, 2011-12, 2011-12 and 2012-13 71 were overestimated by more than 85, 60, 95 and 79 per cent respectively. These facts speak volumes on the way the financial estimates of the university are prepared.

TABLE -02
Budgeted and Actual Receipts and Expenditure of Mangalore University (Rs in Lakh)

Year	Receipts		Expenditure	
	Budget estimated by the university	Actual	Budget estimated by the university	Actual
2008-09	5370.76	5204.78	5722.81	5117.31
2009-10	6845.83	6676.66	7353.59	6682.64
2010-11	9480.09	7504.26	9858.92	6843.22
2011-12	11947.36	8325.72	12422.07	8594.74
2012-13	139641.31	9201.86	14593.38	8485.73
Total	173285.35	36913.28	49950.77	35723.64

Source: Budget Estimates and Annual Accounts of Mangalore University.

Tables -02 summaries the 'budget estimates' and 'actual of the receipts and expenditure of the Mangalore University during 2008-09 to 2012-13. Certain insightful facts are discernible from the table. First, the estimates of receipts as well as expenditure have varied often considerably secondly, it seems

that the university has developed the tendency to under estimate both its receipts and expenditure. Thirdly, in some of the years variations have been perplexing. The receipt of the university in 2008-09, 2009-10, 2011-12, 2011-12 and 2012-13 for example was overestimated by more than 96.91, 97.53, 79.16, 69.68 and 6.59 per cent respectively. Similarly, the expenditure of the university, during 2008-09, 209-10, 2011-12, 2011-12 and 2012-13 budget provisions were overestimated by more than 89.42, 90.87, 69.41, 69.19 and 58.15 per cent respectively. These facts speak volumes on the way the financial estimates of the university are prepared.

Findings:

1. The receipts side, budget was under estimated and actual receipts was more than the budget estimated by Gulbarga University.
2. The expenditure side, the budget provision was made overestimated, actual expenditure lesser than the budget estimated provision has been made, due to this, deficit to the Gulbarga University.
3. Mangalore University, an actual receipt more than the provision of budget estimated in receipts side.
4. The actual expenditure is lesser than the budget estimated by Mangalore University. Whereas, budget provision has been made more, so expenditure is less, due to this, indicates surplus to the university.

Suggestions:

1. Budget should be prepared timely and correctly, it indicates that good financial administration to the university.
2. The related budget planning and policy recommendation, programmes implemented timely, would indicate better financial performance of university.
3. The finance committee of the University formulate the budget procedure, format should be prepare and discuss in every monthly syndicate meeting conducted by University.
4. University equal balance maintained, gap of surplus and deficit would indicate effective fund management of university.

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