



A DETAILED REPORT ON BUDGETARY CONTROL

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Abstract:

Budget is a financial and quantitative statement prepared and approved or to a defined period of policy to be pursued during that period purpose of attaining a given objective it may include income expenditure and employment capital. In other words it is a predefined detailed plan of action development distributed as a guide operation and as a partial basis for subsequent evolution of performance. Budgetary control is effective when it accomplishes the objectives with minimum effort and cost in order to attain long range efficiency and effectiveness management chat out its course in advance. A systematic approach to facilitate effective management performance is profit planning and control of budgeting. Budgeting is therefore an integral part of management in a way, and combination of a "goal setting machine for increasing an enterprises profits and a goal achieving machine for facilitating organizational co-ordination and planning while achieving the budgeted targets." The process of planning all flows of financial resources into within from an entire during some specified future period it includes providing detailed of available future resources to projects, responsibilities and time periods. Budgeting is the actual act of caring the budget and process of evolving the financial statement yet is the end product of budgeting.

Introduction:

Budgetary control is the process of establishing of departmental budget relating the responsibilities of executives to the requirements of a policy and the continuous comparison of actual with budgeted results either to secure by individual action the objectives of that policy or to provide a firm basis for revision. First of all budgets are prepared and then actual result are the comparison of budget and actual figures will enable the management to out discrepancies and take remedial measures at a proper time. It provides a method of control too. A budget is means and budgetary control is the end result.

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Objectives of the study:

The study has the following objectives:

- To provide the material frame work of budget and budgetary control.
- To describe the profit of the organization as a backdrop for understanding a study of budgetary control system.
- To analyze the budgetary system in practice of any organization with particular reference to their objectives and phases of an organizational and re appropriation.
- In addition to the analysis of the conventional budgetary system in any organization.

Need for the study:

The study aims at evaluation and modification to the current budgetary system with reference to the various types of budgets. The scope in the formulation of performance budget is also studied. The fundamental principle underlying the investigation is to bring to fore the basic managerial factors responsible for the inefficient in budget and budgetary control management of any organization.

Scope of the study:

Since it will be possible to conduct a micro level and macro level study.

The study is limited to two level of studies

- i) Micro level study
- ii) Macro level study.

Depends upon the type of organization the study is limited to the particular type of organization.

Methodology of the study:

The study is completed id based on two level of studies.in that

- i) Primary data
- ii) Secondary data.

Primary data: the primary data is collected by interacting with finance manager and other concerned executives at the administrative office and employees of the particular company or organization.

<u>Secondary data:</u> all the secondary data use for the study has been extracted from the annual reports, manuals, magazines and other published material of the

Vol 10, Issuse.1 Jan 2019 particular organization. And mainly from

other sources likeFrom the concerned officers of the

- organization
- Journals of the particular organization
- Accounting books and records of the organization.
- Key books of the title (budgetary control)
- Statistical records.
- Library of the particular organization.

Essentials of a good budget:

- Good budget is prepared prior to a defined period of time.
- Good budget is prepared for the definite future period.
- Good budget id monetary and quantitative statements of the policy.
- This policy is to follow to attain the given objectives must be laid before the budget is.
- Collection of actual data pertaining to all budgeted activities.
- Analysis of variances in actual performance and budgeted performance.
- Revision of budgeted if it id felt that the budgets prepared are no longer relevant, on account of unforeseen developments.
- Continuous comparison of actual performance with budgeted performance.
- It is the process of preparing the budget id the starting point for budgetary point for budgetary control.
- Distribution of budgets pertaining to each function to all the relevant section within organization.
- Initiation of corrective action to ensure that actual performance is in line with budgeted performance.

Objectives of Budgetary control:



The primary objective of budgetary control is to help the management in systematic planning and in controlling the operation of the enterprise. The primary objective can met only of there is proper communication and coordination amongst different within the organization.

<u>Planning:</u> Business require planning to ensure efficient and maximum use of their resourced. The first step in planning is to define the broad aims and objectives of the business. Budget influences strategies that need to be followed by the organizations.

<u>Co-ordination:</u> co-ordination is managerial functions under which all factors of production and all departmental activities are balanced and integrated achieve the objectives of the organization. This removes unconscious bases against other department.

<u>Communications</u>: All people in the organization must know the objectives, policies and performances of the organizations. They must have a clear understanding of their part in the organization goals.

Controls and performance evaluation: control ensures control by continuous comparison of actual performance with the budgeted performance. Variances are highlighted and corrective action can be initiated. Budget's also from the basis of performance evaluation in any organization as they reflect realistic estimates of acceptable and excepted performance.

Requisites for a successful budgetary control system:

For making a budgetary control system successful requisite are required:

- The objective must be clearly spell out to that budgets are properly prepared. In the absence of clear goals, the budgets will also be unrealistic.
- Budget preparation and control is done are every level but involvement of persons from lower levels of management is essential for their success.

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- An effective system of communication is required for a successful budgetary control. The upward communication will help in knowing the difficulties in implementation of budgets.
- The employees should be educated about that benefit of budgeting system.
- Budgetary control may not be taken only as a control device by the employees but it should be used as a tool to improve their efficiency.

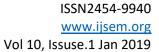
Conclusion:

Every organization has re-determined set of objectives and goals, but reaching those objectives and goals only by proper planning and executing of the plans economically. The organization needs the capable personalities as management to lead the organization successfully, the management makes the plans an implement these plans expressed in terms of budget and budgetary control.

Budgets are nothing but his expressions, largely in financial terms, budgetary control has, therefore become and essential tool of management for controlling and maximizing profits.

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