

Budgetary Control

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Abstract- This study was administered with the view to deal with two fundamental issues: first, to work out if there's any association between budget, budgetary control and performance evaluation second, to determine if there's any significance variation within the budget, budgetary control and performance evaluation measures of hospitality firms. The study is totally supported the secondary data.

I. INTRODUCTION

It is well recognized that budget are among the essential tools of management of any organization unlike other management aids, budgets are made use of practically by all functionaries within the organization. Budgets not only reflect the plan of action for various levels of management but also are useful to watch various activates and initiate mid-course corrective actions. Budgets just don't reduce the managerial function to a mere formula but aids as a managerial tool.

Thus budgeting may be a means of obtaining the foremost productive and profitable use of the companies' resources through planning and control. Budgets are helpful in coordination the varied activities (Such as production, sales, purchase etc.) of the organization with the result that the activities proceed consistent with the target.

Budgets are means of communication. Ideas of the highest management are given the form of the budget and are passed on the subordinates who are to offer them the sensible shape. Because the activities of varied departmental heads are coordinated at the preparation of budget, it's helpful in developing a team work which is extremely much needed for the very success of a corporation.

Meaning of budget:

It is a financial and quantitative statement prepared for a selected period of your time of policy to be pursued during that period purpose of achieving a given objective it's going to include income expenditure and employment capital.

Meaning of budgetary control:

Within the words of J.A.Scott "budgetary control is that the system of internal control and accounting during

which all operations are forecast so as possible planned ahead and actual results compared with the forecast and therefore the planned ones.

II. OBJECTIVES

1. To supply a theoretical framework of budget, and budgetary control.
2. To explain the profile of the organization as a backdrop for undertaking a study of budgetary system.
3. To research the budgetary system in practice in Kesoram cement Industries Limited (here after kesoram) with particular regard to their objectives and phases of organizational and re-appropriation.

Need:

The rationales for budgets have 5 aspects:

1. **Authorization:** The budget is employed to authorize the expenditure and activities contained in it.
2. **Evaluation of performance:** The planned activities and expenditures contained within the budget provide a typical against which the particular achievement of the firm are often measured and evaluated.
3. **Control:** The fixing of organizational machinery to direct efforts towards the planned aims. The budgets sets out the planned activity, subsequent deviations between achievement and plan will indicate the necessity for investigation and corrective action.
4. **Motivation:** The budget is so constructed on move employee's form one target goal to another; indeed it's bound up with the reward punishment sort of organization environment and bureaucratic decision processes, where employees are given incentives to figure towards the achievement of the firm's targets.

Scope:

The data of Basanthnagar, kesoram cement industries limited, are collected mainly from secondary sources via...

1. From the concerned officers of the kesoram cement industries limited.
2. Kesoram Cement industry limited-journals.

3. Accounting books, records.
4. Key books of concerned title.
5. Statically records.
6. Kesoram cement industries limited library.

Limitations:

1. Estimates are used as basis for budget plan and estimates are supported available facts and best managerial judgment
2. Budgetary control cannot reduce the managerial function to a formula. it's only a managerial
3. Tool which increase effectiveness of managerial control
4. The utilization of budget may cause restricted use of resources.
5. The study is that the limited up to the date and knowledge provided by Kesoram cement industry Limited and its annual reports.

III. RESEARCH METHODOLOGY

The data collected from the Journals, Articles and Website. The financial data concerning the organization has been collected for the 4 years

IV. REVIEW OF LITERATURE

Klatzer, Elisabeth (2008) showed ways on the way to integrate gender equality objectives and gender budgeting into Performance Based Budgeting (PBB).

Mishra, Yamini and Jhamb, B. (2009) The study found that gender budgeting statement suffers from flaws in methodology and ladies are accorded low priority in government spending.

Tripathi, P. S. and Nigam, R. (2010)The study also found that the majority of the central ministries/departments haven't been collecting and reporting the gender-disaggregated information on their programs/schemes which are essential for undertaking gender budget analysis

V. COMPANY PROFILE

Kesoram Cement limited

The first unit at Basantnagar with a capacity or 2.1 lakh tons once a year in corresponding suspension-preheated system was commissioned during the year of 1969 the second unit Was setup in year 1971 with a capacity of two .1 tones once a year and the third unit with a capacity of 2.5lakh tons per annum went on stream within the year 1978 the coal for

this company is being supplied iron singareni collories and the power is obtained from APSEB the facility demand for the factory is about 21MW kesoram possesses 2DG sets of 4MW each installed within the year 1987.

Birla supreme in popular brand of kesoram cement from its prestigious plant of Basantnagar during a .P which has outstanding track record in performance and productivity serving the nation for the last two and had decades It distinction by Bagging several national awards .It also has the distinction optimum capacity utilization.

Kesoram offers a choice of top quality portioned cement for light heavy constructions and allied applications quality is made every fact of the operations.

The plant layout is rational to start with the limestone is rich in calcium carbonate a key factor that influence the quality of ultimate product the day process technology used within the latest computerized monitoring overseas the manufacturing process samples are sent regularly to the bureau of Indian standards national council of constructions and artifact for certification of derived quality norms

The company has vigorously undertaking different promotional measures their product through different media which incorporates the use of newspapers, magazines, hoardings etc.

VI. DATA ANALYSIS

Regarding sales:

Table 1: showing total sales of Kesoram cement industry

	2015-16	2016-17	2017-18	2018-19
BE(Budget Estimated in crores)	2334	2443	2467	2516
ACT(Actual)	2202	2340	2294	2369

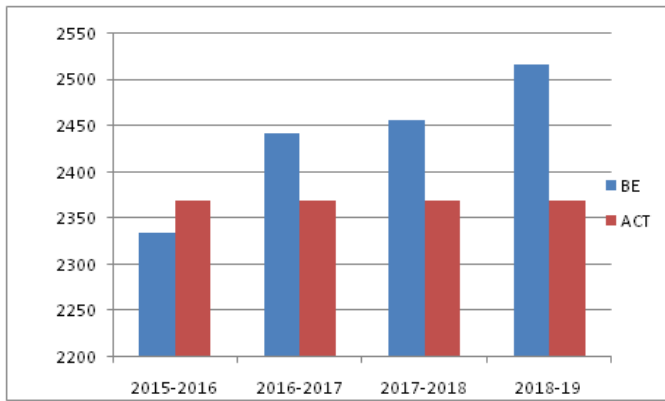


Figure 1 showing on sale of kesoram cement industry

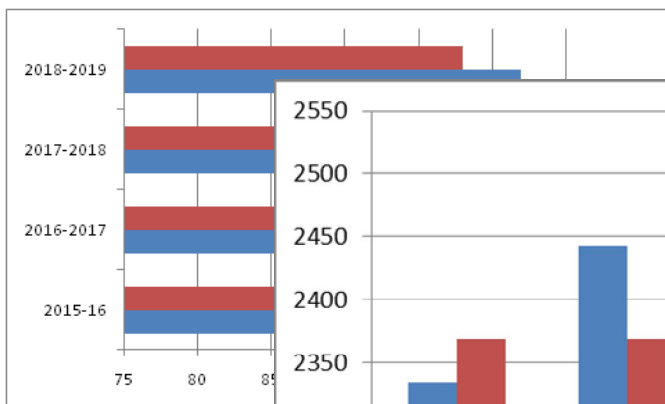
Interpretation:

Within the year 2015-2016 the particular amount is a smaller amount compared to budgeted amount because the budget is accurate. Within the year 2018-19 budgeted amount is more compared to actual. It shows that the number is more comparing to plug. Selling of cement product but the estimates.

Average intensives:

Table 2: shown on the average intensives of kesoram cement industry

	2015-16	2016-17	2017-18	2018-19
BE(Budget Estimated in crores)	98	93	97	102
ACT(Actual)	91	86	92	98



	2015-16	2016-17	2017-18	2018-19
BE(Budget Estimated in crores)	51	49	53	56
ACT(Actual)	43	38	48	49

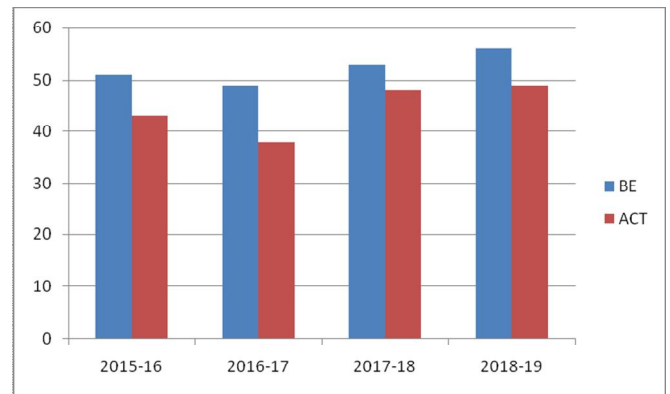


Figure 3: showing on other income of kesoram cement industry

Interpretation:

In the year 2015-2016 the particular amount is a smaller amount compared to budgeted amount because the budget is accurate. Within the 2015-16 it shows a small change between budgeted amount and actual. Within the year 2018-19 budgeted amount is more compared to actual. It shows that the number is more comparing to plug. Selling of cement product but the estimates.

Variable cost:

Table 4: showing on variable cost of kesoram cement industry

	2015-16	2016-17	2017-18	2018-19
BE (Budget Estimated)	98	93	97	102
ACT (Actual)	91	86	92	98

Figure 2 showing on the average intensives of kesoram cement industry

Other income:

Table 3: shown on other income of kesoram cement industry

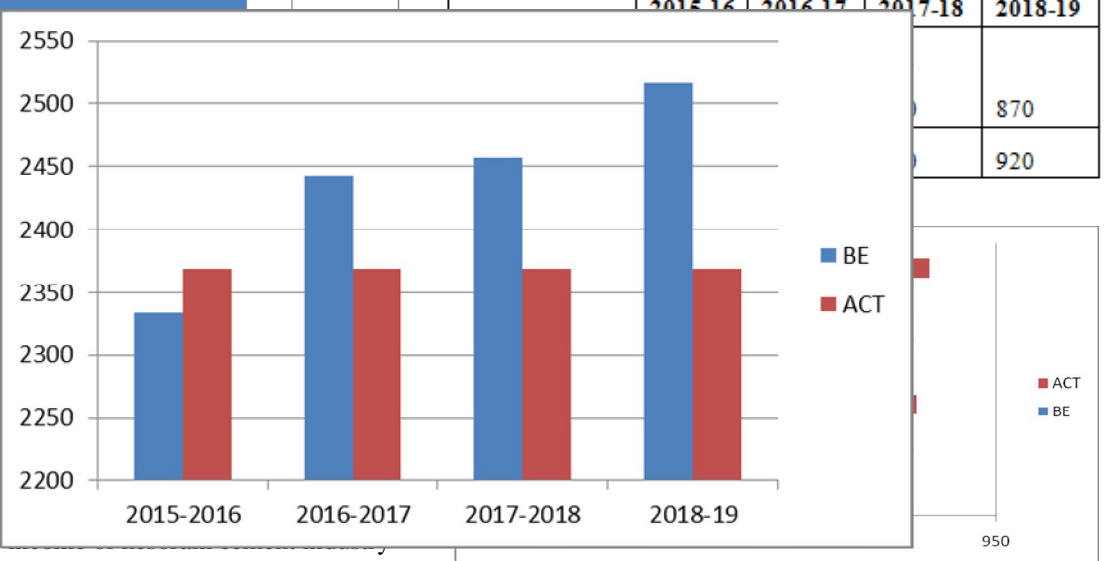


Figure 4 : showing on variable cost of kesoram cement industry

Interpretation:

FORM above table it are often thereunder the estimated amount and actual amount of kesoram cement was recorded at raw materiel 830 during the year 2015-2016 it's increased to actual staple 873 within the year 2015-2016. It shows that there's an increased in budget to the particular .the very best amount in budget was recorded in year 2018-2019.

Operative maintained cost:

Table 5: showing on operative maintained cost of kesoram cement industry

	2015-16	2016-17	2017-18	2018-19
BE	723	745	790	814
ACT	842	885	897	903

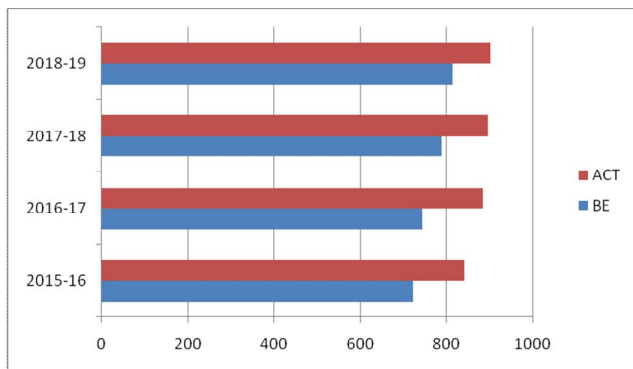


Figure 5: showing on operative maintained cost of kesoram cement industry

Interpretation:

1. Form the above table it are often understood that the budget of kesoram cement was recorded the estimated value 723 during the year 2015-2016 and it's decreased to 842 during the year 2015-2016.
2. It shows that there's on decreased within the budgetary to the particular 2018-19.
3. Rock bottom investment in budgetary was recorded in year 2018-19

Finance charges:

Table 6: showing on finance charges of kesoram cement industry

	2015-16	2016-17	2017-18	2018-19
BE	56	56	58	60
ACT	31	34	34	35

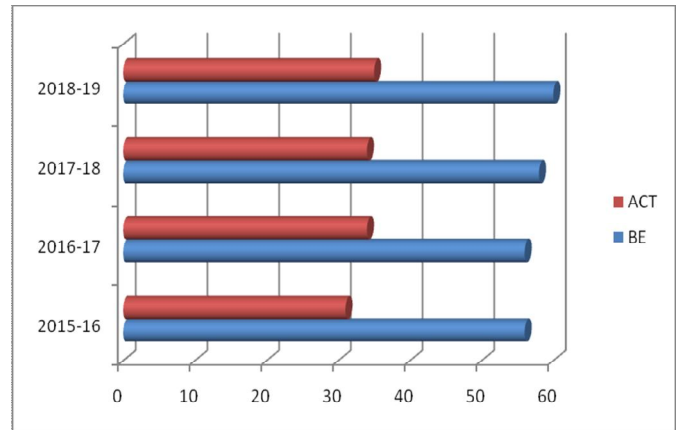


Figure 6: showing on finance charges of kesoram cement industry

Interpretation:

1. Form the above table it are often understood that the budgetary of kesoram cement was recorded at 56 value of estimation during the year 2015-16 and it decreased to 31 of actual value in during year 2015-16.
2. It shows that there's increase within the budgetary the lower value within the 2018-2019.
3. rock bottom investment in budgetary was recorded in year -2018-2019.

VII. FINDINGS

1. There's an enormous increase in INCOME of the corporate in 2018-2019, compared to 2017-2018.
2. Huge increase in earnings per share in 2018-2019, in comparison to 2017-2018..
3. Within the year 2018-19 budgeted amount is more compared to actual. It shows that the number is more compared to plug. Selling of cement products, but the estimates.
4. Within the year 2017-18, earning per share value is Increased (58.8%) in comparison to 2017-18(9.9%).
5. Profit before taxation increased from Rs.34, 00, 00,000 to 75,00,00,000 and profit after taxation also increased from Rs.45,70, 92,132 to 2,65,68,32,892 within the year 2017-2018 respectively.
6. Sales has been increased within the year 2017-2018 (25,16,45,89,369)when compared to 2016-17(18,17,81,55,294)

VIII. SUGGESTIONS

Planning has become the primary function of management most of the planning relates to individual situations and individual proposals. Budgets are nothing but expressions largely in financial terms, budgetary control has, therefore become an essential tool of management for controlling and maximizing profits.

- Continuous comparison of actual performance with budgeted performance.
- The company has to maintain super quick assets in order to maintain sound liquidity.
- A company has to recollect their own standing amount from the debtors regularly.
- The company has to maintain funds for long-term investment.
- The company has to monitor from liability position in regular intervals.
- The company must be conscious about their working capital position.
- There is lot of pretension consistence demand the cement industry as a cement producer the company can able to source, their funds throw more share holders funds.
- Company is maintaining the inventories a part from current assets for the entire study period. To show that excessive inventory level are not good for any organization and any company. Since the company has it concentrate much more on inventory maintain.
- During study period there is negative working capital levels for the company so the company must maintained enough current assets to keep working capital, figure positively.

IX. CONCLUSIONS

- Every organization has predetermined set of objectives and goals, but reaching their objectives and goals by proper planning and executing of these plans economically.
- The kesoram cement industries Limited objectives of planning and organizing promoting an integrated development of Cement Company.
- The corporation machine of kesoram cement industries is to make available and quickly cement in increasingly small quantities, the company will spear head the process of accelerated development of cement sector by expeditiously.
- The organization needs the capable personalities as management makes the plans and implement of these

plans are expressed in terms of budget and budgetary control.

- The kesoram cement Industries Limited has budget process in two stages. one is the capital expenditure budget and another is operating maintenance budget, the capital expenditure budget shows the list of capital projects selected for investment along with their estimated costs, operating maintenance budgets, the medical budgets are rarely used in the organization like long term budgets, search & development budget for consultancy.
- The Kesoram cement industries is to make efficient utilization of its resources and implementation of sophisticated technology to produce available and quality cement and also creating ambience of collective working of its employees.

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