

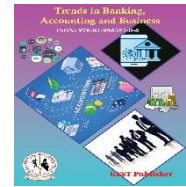


Trends in Banking, Accounting and Business

Vol: 2(2), 2023

REST Publisher; ISBN: 978-81-956353-0-6

Website: <https://restpublisher.com/book-series/tbab/>



A Study on Budget and Budgetary Control with Reference to Teal

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Abstract: Finance is so essential today that it is rightly said that, it is the lifeblood of an enterprise without adequate finance, no enterprise can possibly accomplish. The present study is an attempt to make a budget and budgetary control of titan engineering automation ltd. financial budget statements are used as management by the company's board of directors. In (2013) Bornholet, argue that however, because of globalization, ecological changes, and strategically progressed innovative improvements, recently created hypotheses and models today don't have any significant bearing and a large number of them condemn and practice their training. The main objective of this study is to know about the company's financial budget and budgetary control by identifying the firm's strengths and weaknesses and the way by which theoretical accounting procedures are put into practical use. To understand the budgetary control system and control the performance evaluation. It indicates whether the organization is improving or worsening in past years. Research methodology the study is focused on 5 years from 2018 to 2022. The secondary information that is collected for the study is their financial statement. The analysis used in this project has been done using selective technical tools like ratios, correlation, and regression, chi-square. Overall, the findings suggest that timetables for all stages of budgeting should be followed regularly by all the departments. Reports, statements, and other records should be maintained if any information is needed. Overall, the project report I study and analyse the budgetary control system minimizing the total cost and improving the organizational effectiveness with the view of the balance sheet the ratio analysis is used.

Key words: Budget Planning, Decisions, Budgetary Control, Financial Statement.

1. INTRODUCTION

Budget is essential in every walk of our life – national, domestic and Business. A budget is prepared to have effective utilization of funds and for the realization of objective as efficiently as possible. Budgeting is a powerful tool to the management for performing its functions i.e., formulation plans, coordination activities and controlling operations etc., efficiently. For efficient and effective management planning and control are to highly essential functions. Budget and budgetary control provide a set of basic techniques for planning and control.

OBJECTIVES

- * To understand the budgetary control system.
- * To control the performance evaluation.
- * To analyze and compare the variation of revenue budget and operational budget.
- * To suggest the effective budgetary in the TEAL.

SCOPE OF THE STUDY

The study on the components of budgeted cost actual cost, sales, profits, etc. would help the company for forming effecting techniques. The study reveals the present liquidity and profitability position if the company. The study reveals the present liquidity and profitability position if the company. A budget is concerned with policy framing whereas control is the budgetary implementation of the policy. In a narrow sense, budgetary control is a cost control technique wherein actual cost is compared to budgeted cost, and thus is aimed at profit.

2. REVIEW OF LITERATURE

IldikóRéka (2014) Cardoso, Budgeting is universally used all over the world. Budgets are the most powerful tool for management control, they are the key drivers and evaluators of managerial performance. However, in recent years criticism towards traditional budgeting has been notably increased. **Bornholet, (2013)** However, because of globalization, ecological changes and strategic progressed innovative improvements, recently created hypotheses and models today don't have any significant bearing and a large number of them condemn and practice their training. **Kursite, (2011)** Several examination researchers center around their crucial grants and their execution of the speculation hypothesis spending plan (e.g., Mookiezy and Henderson, 1987; Arnold and Hatzopoloss, 2000; Graham and Harvey,

2001; Cooper, Morgan, Redman and Smith, 2002; Brown and others., 2004; Kersey, 2011). **Kester and Robins, (2011)** Through constrained credit and different sources in the present dubious and testing monetary condition, the gainfulness and achievement of proposed capital speculations should be assessed legitimately and to convey restricted capital up until this point.

3. RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. Research is an academic activity and as such the term should be used in a technical sense.

4. DATA ANALYSIS & INTERPRETATION

CURRENT RATIO

Current ratio may be defined as the relationship between current asset and current liabilities. This ratio also known as working capital ratio is a measure of general liquidity and is most widely used to make the analysis of short-term financial position or liquidity of a firm.

$$\text{Current ratio} = \text{Current Assets/Current Liabilities}$$

TABLE: Table showing the current ratio

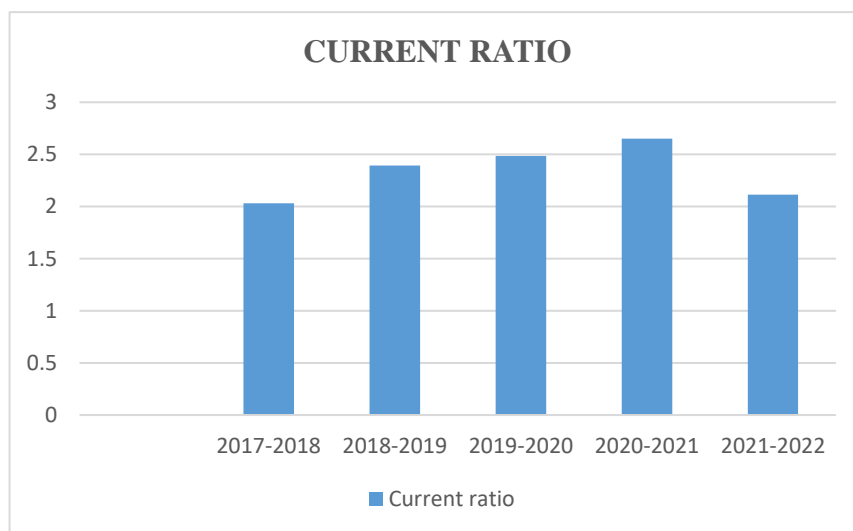
Year	Current Asset (Rs in lakhs)	Current liabilities (Rs in lakhs)	Ratio
2017-2018	19511	9606	2.031
2018-2019	22125	9239	2.394
2019-2020	29397	11827	2.485
2020-2021	30119	11364	2.650
2021-2022	33230	15710	2.115

Sources; extracted from annual report in the year 2018-2022

INTERPRETATION

The table shows the current assets position of the teal the current ratio was not fluctuating trend during the study period. Hence the position indicates that the current ratio.

GRAPH 1: Showing the percentage of current ratio year ending 2018-2022



LIQUID RATIOS

Quick ration also known as acid test or liquidity then the current ratio, the term liquidity refers the ability of a firm to pay its short-term obligations as and when they become due. Two determines of current ratio as a measure of liquidity are current asset and current liabilities.

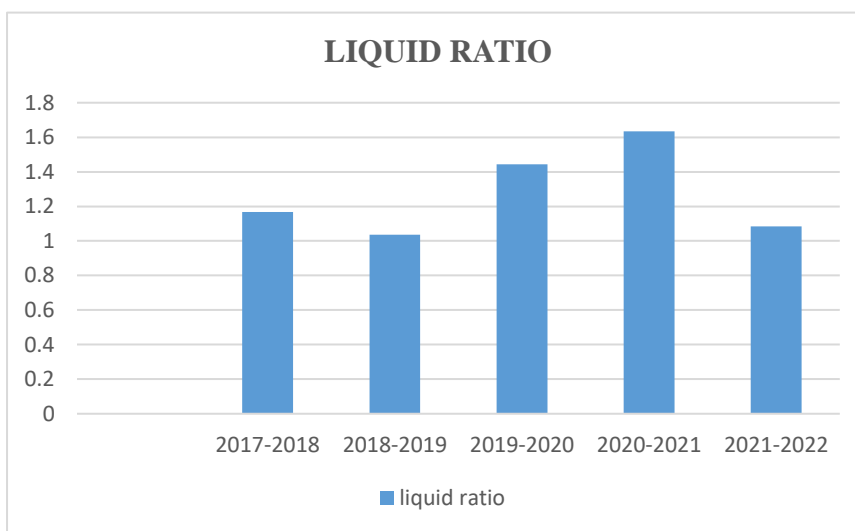
Liquid ratio =Liquid Assets/Current Liabilities**Table: 2** Table showing the liquid ratio

Year	Liquid Asset (Rs in lakhs)	Current liabilities (Rs in lakhs)	Ratio
2017-2018	11206	9606	1.167
2018-2019	9574	9239	1.036
2019-2020	17070	11827	1.443
2020-2021	18584	11364	1.635
2021-2022	17038	15710	1.085

Sources; extracted from annual report in the year 2018-2022

INTERPRETION

From the table liquid ratio of the teal. It was not was not fluctuating trend during the study period. Hence the position indicates that the liquid ratio.

GRAPH 2: Showing the percentage of liquid ratio year ending 2018-2022**CASH POSITION RATIOS**

Although receivables, debtors and bills receivable are generally more liquid than inventories yet there may be doubts regarding into cash immediately or in time, hence some authorities are of the opinion that absolute liquid ratio should also be calculated together with current ratio.

Cash position ratio =Cash Balance /Current Liabilities**TABLE: 3** Table showing the cash position ratio

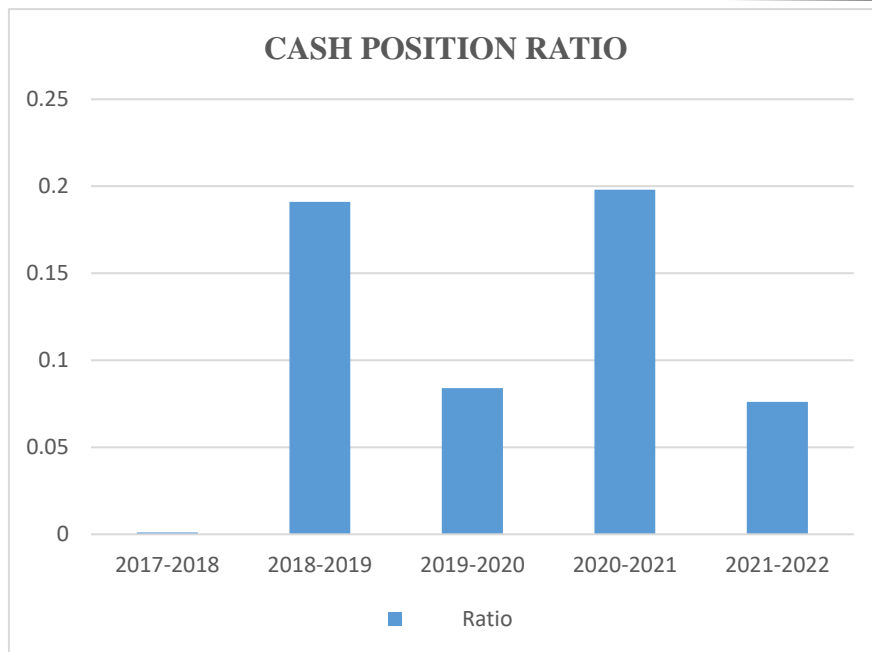
Year	Cash balance (Rs in lakhs)	Current liabilities (Rs in lakhs)	Ratio
2017-2018	11	9,606	0.001
2018-2019	1,767	9,239	0.191
2019-2020	998	11,827	0.084
2020-2021	2,251	11,364	0.198
2021-2022	1,201	15,710	0.076

Sources; extracted from annual report in the year 2018-2022

INTERPRETION

The highest cash ratio is recorded as 0.198 in the year of 2020- 2021.The cash position ratio shows a decreasing trend in the subsequent year. So, the low cash position which represents the liquidity position is liquid liabilities in time without facing difficulties.

GRAPH 3: Showing the percentage of cash position ratio year ending 2018-2022



5. FINDINGS, SUGGESTIONS & CONCLUSION

Findings:

- Current ratio of TEAL was irregular varying during the study period. It was maximum in 2021
- Liquid ratio of TEAL has been continuously increases in the study period. It was highest in 2020-2021.
- The cash position of TEAL has been drastically increases in the stipulated period of time. It was highest in 2020-21

Suggestions:

- The objectives and how it can be achieved through budgetary control process.
- Time tables for all stages of budgeting should be followed regularly by all the departments.
- Reports, statements, forms and other record should be maintained if any information is needed.
- Continuous comparison of actual performance with budgeted performance will result in knowing whether the company is in profit or loss.

6. CONCLUSION

Over all the project report I study and analysis the budgetary control system minimizing the total cost and improving the organizational effectiveness with the view of balance sheet the ratio analysis is used. Comparative and common size balance sheet analysis to found the as a satisfactory company performance. on the other side trend analysis informs about their increase on the yearly based. The research found out the overall financial position of TEAL is favorable.

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