

ISSN : 2347-503X

Research Chronicler

International Multidisciplinary Research Journal



Vol II Issue IV : May 2014

Editor-In-Chief

Prof. K. N. Shelke

www.research-chronicler.com

Research Chronicler

A Peer-Reviewed Refereed and Indexed International Multidisciplinary Research Journal

Volume II Issue IV: May – 2014

CONTENTS

Sr. No.	Author	Title of the Paper	Download
1	Dr. Sherin Shervani	Analyses of the Identity of Muslim Women in Modern Non-native English Fiction	2401.PDF
2	Dr. B.V. Rama Prasad	Realization of the Distance between the Writer and the Focal Character in Vasudendra's Short Story "First Time at the Pinnacle"	2402.PDF
3	Jaisingh K.	Innovative Techniques in Language Teaching: An Analysis of the Computer Assisted English Language Learning Software used in most of the Engineering Colleges in India	2403.PDF
4	Mohammed Najmuddin Khan	Superheavy Elements: Its Annals	2404.PDF
5	B. Moses	Problems of equivalents and morphology in translating the Tamil novel "Helicoptergal Keezhe Iragi Vittana" into English	2405.PDF
6	Shram Mustafa Hama-Salih & Dr. Muktaja Mathkari	Women in Chinua Achebe's <i>Things Fall Apart</i> (1958)	2406.PDF
7	Shivani Jha	<i>The Hungry Tide: A Discourse of Dispossessions</i>	2407.PDF
8	Prin. Dr. D.M. Muley	Political Impact of Reservation Policy on Scheduled Castes	2408.PDF
9	Dr. Smriti Singh	Identity and Ethnicity in Kiran Desai's 'The Inheritance of Loss'	2409.PDF
10	Dr. Muktaja Mathkari & Shram Mustafa Hama-Salih	Women in Ngugi Wa Thiong'o's <i>The River Between</i> (1965)	2410.PDF
11	Nisha. K. P.	Reflections on Research Studies in Stress and School Environment	2411.PDF
12	Dr. K. A. Attar	Displacement and Search for Home in Jean Rhys's <i>Wide Sargasso Sea</i>	2412.PDF
13	Dr. Ashok Wagh & Dr. S.T. Gadade	Activity and Periodicity in Financial Planning and Performance in Colleges	2413.PDF
14	Dr. Muktaja Vikas	Pronouncing and Denouncing Motherhood: Rama Mehta's	2414.PDF

	Mathkari	<i>Inside the Haveli</i> and Margaret Laurence's <i>A Jest of God</i>	
15	Dr. Archana Durgesh, Md. Osama, Md. Ashraf, Md. Faiz, Md. Md. Kashif, Md. Ammaar	Revolution 2020 - Battle for a Perfect Life	2415.PDF
16	Mrs. Mishra Santwana Gopalchandra & Dr. K. L. Chincholikar	A Study of Correlation of Academic Achievement with Aptitude, Attitude and Anxiety	2416.PDF
17	Dr. Manju Lalwani Pathak	Economic Thoughts of Rabindranath Tagore	2417.PDF
18	Solanki Milind Kantilal	The Effect of History and Post-Modernism in Today's Indian English Literature	2418.PDF
19	Dr. Archana Durgesh & Dr. Pooja Singh	Communicating Across With a Touch & a Glance	2419.PDF
20	Anil Kumar Singh	Motifs of History in the Novels of Amitav Ghosh	2420.PDF
21	Dr. Franz Josef Gellert & Professor Dr. Hugo Velthuijsen	Gradual Retirement Schemes and Older Workers Social Inclusion and Employability in The Netherlands	2421.PDF
22	Dr. Raji Ramesh	Negotiating the Patriarchal Authority: The Magic Toyshop	2422.PDF
23	Jayasimha P.	Transmutation of Confession as Devotion: Cognitive Modeling of Saint Augustine's <i>Confessions of a Sinner - Book One</i>	2423.PDF
24	Bijayata Pradhan	Voices from the Margins: A Study on the Texts Based on the Life of The Tea Workers in the Tea Estates of Darjeeling	2424.PDF
25	Nivedita Ghosh	The Emerging Marital Trends in Indian Scenario	2425.PDF
26	S.N. Sithi Shamila	Redefining 'Quality' through Student Participation: A Holistic Perspective	2426.PDF
27	Isha Dhar & Zia Afroz	Bitcoin-A Historical Perspective of the Effects of the New Currency on the Global Economy with the Future Speculated	2427.PDF
28	Dr. Santosh J. Mishra	Painful Journey of Self Discovery through Different Cultural Spaces in <i>Desirable Daughters</i> by Bharati Mukherjee	2428.PDF
29	J. Kirubakaran & Dr. M. Dharmalingam	A Study on Impact of Financial Sector Reforms in India with Reference to Indian Capital Market	2429.PDF
30	Mr. Kailas B. Aute	Contesting and Voicing non-normative sexual Identity: A Critical Study of Shyam Selvadurai's <i>Funny Boy</i>	2430.PDF
31	Zia Afroz & Sumbul Fatima	Need of Entrepreneurship Development in Rural Sector in India	2431.PDF

Activity and Periodicity in Financial Planning and Performance in Colleges**Dr. Ashok Wagh***Associate Professor & Head, P. G. Dept. of Accountancy, B. N. N. College, Bhiwandi, (M.S.) India***Dr. S.T. Gadade***Principal, C. K. Thakur College, New Panvel, (M.S.) India***Abstract**

The alarming number of colleges today gives the notion that the major mass of young generation of the nation is shaped and nurtured in colleges and universities. These seats of higher education are evaluated academically alone and the financial planning is pushed in the backyard. Financial planning is the process of developing a strategy or program to assist in the achievement of at least one financial goal or need. The process starts by gathering and analyzing relevant financial data, needs and goals, resulting in an action plan or recommendations, including acknowledgement of related financial issues and topics that may deserve attention. The Ministry of Human Resource Development and University Grants Commission (UGC) in India are meticulous in framing their policies and plans regarding higher education from time to time. For this, they take the responsibility of quality education and funding as well. Alongwith the academic planning, financial designing also gets priority. The present paper attempts to evaluate the financial planning juxtaposing and comparing the actual performances in colleges. It will also touch upon the intricacies of micro level of financial management, budgeting and accounting in colleges. For the same, approximately 10% of colleges affiliated to the University of Mumbai are selected for testifying the questionnaire from the jurisdiction of the university ranging from metropolitan to rural are taken into consideration for testifying the data based upon the responses given by the stakeholders-principals and registrars. Further, the paper also captures the financial planning of these colleges on the basis of activities that they conduct throughout the academic year and the performance of these institutions in terms of the objectives set. Various activities-curricular, co-curricular and extra-curricular- conducted by the colleges are evaluated in terms of expenditure and the performance shown by the department/s concerned accordingly.

Key Words: financial planning, activity, performance, periodicity, budgetary control

College and university education comprise higher education which must be qualitative as it shapes, moulds and incarnates the students as a qualified human resource and at the same time it facilitates in uplifting the economy the nation. Though education process in colleges is purely academic endeavor, it requires the economic and budgetary controlling system as well. The financial planning, therefore, becomes a

prerequisite for the qualitative output. Higher education is process that is split into a number of macro and micro activities both financial and academic. Further, it is financial planning that proves the performance of colleges. Financial design, in other words, is the budget of colleges for an academic year which forces the administrator to look into the intricacies of the financial plans,

performance and the correlation of the same. On the basis of evaluation one can also draw conclusion as whether the financial planning was apt or not. The present research paper, therefore, attempts to evaluate the activity and periodicity in financial planning and performance in colleges. For this, the researcher has selected the colleges in the jurisdiction of University of Mumbai ranging from the metropolitan domain to the peripheral rural space. Interviews, interactions, discussions, responses through questionnaires from principals and registrars of the colleges are considered as the primary data for this research.

Alongwith the academic planning, financial designing also gets priority in colleges as well as universities. One need to evaluate the financial planning juxtaposing and comparing the actual performances in colleges, tracing the intricacies of both micro and macro level of financial management, budgeting and accounting in colleges. For the same, approximately 10% of colleges affiliated to the University of Mumbai are selected for testifying the questionnaire. These colleges are specially Arts, Science and Commerce (degree) colleges catering traditional courses. The jurisdiction of the university which has seven academic blocks ranging from metropolitan to rural are taken into consideration for testifying the data. Further, various activities-curricular, co-curricular and extra-curricular- conducted by the colleges are evaluated in terms of expenditure and the performance shown by the department/s concerned accordingly. While catering educational facilities to the students, allocation of budget is required. Similarly, budgetary control is equally essential to

monitor and control the expense done under the jacket of quality education. Rajan Velukar, the Vice Chancellor of University of Mumbai, on 30 Apr 2012 at Nagpur articulates, "Enhancing quality is a process and one needs to understand it properly. Expansion of current facilities, inclusion of more modules/units in syllabus and excellence are important for enhancing quality education." (Times of India: May, 2012) True to his statement, one finds that this venture requires higher investments in education and at the same time, budgetary control to monitor the use and misuse of funds.

Financial planning involves deciding what investments and activities would be most appropriate under both personal and broader economic circumstances. All things being equal, short-term financial planning involves less uncertainty than long-term financial planning because, generally speaking, market trends are more easily predictable in the short term. Financial planning is inevitable tenet of every organization. In educational organizations like colleges and universities though academic planning gets a focal importance, financial planning cannot be neglected. On the other hand, it is the backbone of the academic activities conducted in the colleges throughout the academic year. As colleges and universities are considered the institutes of higher education, financial planning in such institutions gets lesser attention. The study of financial planning at micro level will certainly explicate the allocation of funds, their utilization and the resultant output in educational organizations. This paper attempts to epitomize the role of financial planning at micro level splitting it into many micro units and the effect of the

same in colleges affiliated to University of Mumbai, which may also be applicable to other colleges as well to measure their performance. The quality of education and the standard of education get boosted due

to the financial planning. Therefore, the data in the following table states the application of Financial Planning in the sample colleges:

Variable	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you agree with the statement "Financial Planning facilitates and enhances academic standards and quality of education through effective planning?"	72	97.30	02	02.70	74	100

The above metrical data showcases that there are 97.30% of the respondent colleges consider that Financial Planning facilitates and enhances academic standards and quality of education through effective planning, whereas 02.70% of the respondent colleges which do not agree with the statement.

Financial Planning: Aim Orientation and Performance:

Financial Planning provides a tool for measuring managerial performance. Budget targets are compared to actual results and deviations are determined by providing target to every department. The deviation in budgeted and actual performance will enable the determination of weaker areas. Efforts are concentrated on those aspects that create problems. The performance of each department is reciprocated to top level management. Further, the management may take corrective measures whenever there is discrepancy in performance. It creates budget consciousness among all employees. Henry C. Dekker, Tom Groot,

and Martin Schoute in their scholarly article entitled, "Determining Performance Targets" (2012) define, "Performance targets direct organizational participants toward firm strategy, provide guidance for allocating effort, and induce effort toward performance goals. Key aspects of the setting of performance targets are how specific they should be and at which levels they should be set. We develop a structural model that aims to explain the specificity of targets set for subordinate managers and the information sources used to set target levels for defined performance dimensions, which sources include past performance, future planning, and benchmarking information." (Dekker, Groot, and Schoute: 2012: 21-46). In colleges affiliated to University of Mumbai the performance of department is measured by determining it. The tabulated information stated below showcases the present scenario of acceptance and its application of Financial Planning in determination of aims and measuring the performance of the departments/groups or/and individuals in the sample colleges.

Variables	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Does Financial Planning determine targets of performance of each department, in this sense; is it aim oriented for achieving given objectives?	72	97.30	02	02.70	74	100

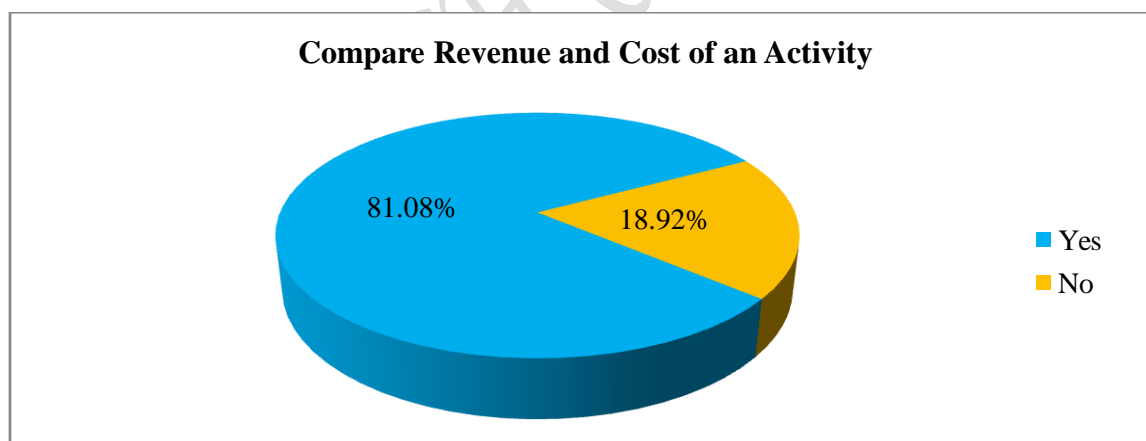
The information stated above indicates that 97.30% colleges agree with the view that Financial Planning is aim oriented and is very useful in achieving a given objective. They also agree upon the idea that each department's performance becomes target oriented due to same.

Financial Planning and Activity Evaluation:

Activity cost analysis shows the average cost and revenue for all instances of each activity in the current model result. This analysis enables an institute to determine

quickly, where in a process the most money is spent or earned. One can also determine the relative importance of expenses that result from the inherent cost of completing each activity, from resource costs, or from idle time while waiting for resources to become available. By understanding where costs and revenues are generated throughout the process, one can identify potential areas for improving revenues or reducing costs. The table below configures the situation in the sample colleges regarding the activity accounting.

Revenue and Cost of an Activity at Colleges:



There are 81.08% of the respondent colleges which compare the revenue and cost of an activity. This enables them to control the cost incurred for an activity, whereas 18.92% of the respondent colleges do not compare the revenue and cost of an activity. This method of activity accounting helps them to control the

expenditure that exceed than the budgeted one.

Financial Planning and Value-Based Activity: An activity is an event, task or unit of work with a specified purpose. Activity-Based Costing is a powerful tool for measuring performance, used to identify, describe, assign costs to, and

report on agency operations. This type of accounting is more accurate cost management system than traditional cost accounting. It identifies opportunities to improve business process effectiveness and efficiency by determining the "true" cost of a product or service. Activity Based Costing is a method for developing cost estimates in which the project is subdivided into discrete, quantifiable activities or a work unit. Departments and Colleges could use the activity-based costing approach as a tool to accomplish objectives such as to match utilization of resources with departmental mission; to

obtain a better sense of the effectiveness of faculty members' time and effort differentiation within departments; to discuss with department heads and principals the efficient and most effective allocation of resources to meet the needs of the department, college and university; to organize the information in a way that makes sense across units and to act as an essential public relations tool. Activity-based management focuses on managing activities to reduce costs and improve customer value. The following table gives the salient of activity-based management in the sample colleges.

Variable	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you think, if your college adopts Financial Planning, will it enable you to find the most valuable activity?	72	97.30	02	02.70	74	100

Therefore, 97.30% of the respondent colleges which consider that due to Financial Planning, they can find out the most valuable activity either from the curricular or co-curricular.

Financial Planning and Periodic Budget Report:

The Periodic Budget Report summarizes revenue and expenses by profit center, so that one can evaluate ones division/department's performance without viewing all the details. This generates summaries of budget. The Budget Details report provides a detailed overview of period totals and/or other key performance

indicators for all budget lines. This report displays ones whole budget with all details. The accounts department, in turn, provides this report by amalgamating the information from every department and activity. Such reports are prepared after every fixed interval of time, say for instance, quarterly/ half yearly. Periodic budget reports also make aware the personnel regarding their responsibilities. Further, it helps to forecast the possible dangerous zones and avoid the probable losses. The data given in the following table states the present situation of Periodic Budget Reporting in the sample colleges.

Variables	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%

Do you think that Financial Planning helps in preparing periodic budget reports that compare actual results with planned objectives?	72	97.30	02	02.70	74	100
--	----	-------	----	-------	----	-----

On the basis of the table above, 97.30% respondent colleges consider that Financial Planning helps them in preparing periodic budget reports which also caters them to compare actual results with planned objectives. The information obtained proves that in majority of colleges, periodic budgets are prepared. These periodic budgets help them in enforcing financial planning. This also enables the college administrators create awareness with every individual in the organisation as well as measure their work performance.

Financial Planning and Resource Utilization:

Colleges have to optimize the utilization of the available resources at their disposal. Frankie-Dolor in his article titled, "Evaluating Resources for Business Education Programme" reasserts the importance of resources in educational

institution. He says, "Human beings take decisions, which provide the knowledge, energy and the co-operation through which organizational objectives are achieved. On physical and material resources, its importance, need and relevance towards the success of every educational programme cannot be overemphasized. The availability of adequate school buildings, classrooms, chairs, desks and other facilities are necessary for the attainment of educational objectives." (Frankie-Dolor TR: 2002: 127) This enables the institute to accelerate the standard of the students who are studying in the college. It is due to the financial planning this awareness is ignited in the institute which triggers the institute to use its resources maximum. The table given below shows the application of Financial Planning and the resultant utilization of resources in the sample colleges.

Variables	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you agree that Financial Planning facilitates effective utilization of available resources to improve the performance of students?	72	97.30	02	02.70	74	100

It is observed that 97.30% respondent colleges replied that due to Financial Planning effective utilization of available resources like human resources, infrastructure, equipments and money are made possible. They also point out that this method is more beneficial for students

as well, as it accelerates the standard of quality education through maximum utilization of resources available.

Financial Planning and Long Term Planning:

Financial planning is generally split by an organisation into two types, namely long term and short term planning respectively. The long-term plan covers a period of at least three years or sometimes it may extend up to five years. The long-term planning should be updated as and when the short-term plan is prepared. This

clearly means that the long term plan must have flexibility. Long-Term Planning is more uncertain than a short-term planning. The data stated in the following table presents the present situation in the sample colleges as regards to the relationship between financial planning and the long-range planning.

Variable	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you agree that Financial Planning facilitates to draw up long-range plans with accuracy?	68	91.89	06	08.11	74	100

There are 91.89% of the respondent colleges which consider that Financial Planning helps in drawing long-range plans with accuracy in their colleges for better performance, utilization of available resources and infrastructure available with them.

Effects of Financial Planning:

The scope of Financial Planning is becoming wider, as every venture is

considered global today. The biggest benefit of a financial planning is that it allows administrators the freedom of decision making as long as they do not exceed the budgets. This ensures that various departments and functions operate within the framework of a common overall plan. The data in the following table states the novelty of Financial Planning in its application in the sample colleges.

Variables	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
According to you, is Financial Planning innovative, prepared and approved prior to a defined period by comparing the actual performance with the predetermined targets?	72	97.30	02	02.70	74	100
Do you think that expenditure as an application component in Financial Planning?	66	89.19	08	10.81	74	100
Do you agree with the idea that Financial Planning enables in analyzing the difference between projected and actual revenue and expenditure, and to determine their causes?	72	97.30	02	02.70	74	100

It is observed that 97.30% respondent colleges agree with the view that Financial Planning is innovative, prepared and approved prior to a defined period for the overall development of colleges. 89.19% respondent colleges consider expenditure as an application component in financial planning.

Usage of Financial Planning:

Financial Planning enables the management to conduct its college

activities efficiently. An administrator may adopt some budgetary policy for the present situation and after some period of time may revise the same, suitable to the future or the changed scenario. Similarly, it can be used to evaluate the performance of a department in the college by comparing it with the performance of the previous year and also with other departments in the college. The following table states the variant usages of Financial Planning in the sample colleges.

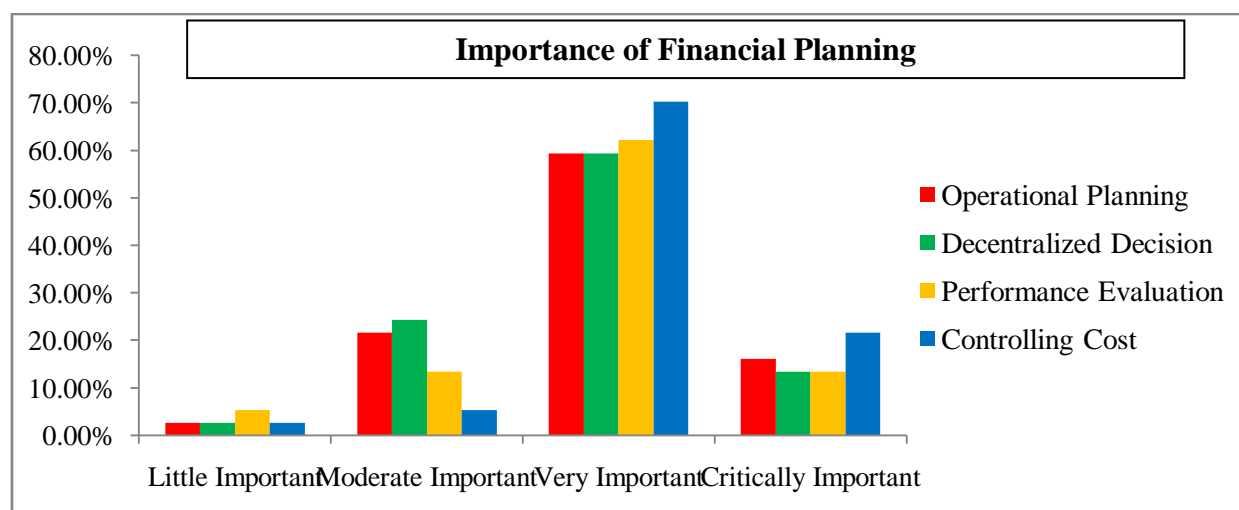
Variables	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you agree that Financial Planning provides a basis for revision of current and future policies?	72	97.30	02	02.70	74	100
Do you agree the use of Financial Planning enables the management to conduct and measure performance of individuals and monitors the expenditure of the departments?	72	97.30	02	02.70	74	100

The table indicates 97.30% respondent colleges agree with the idea that Financial Planning provides a basis for revision of current and future policies also they consider the use of Financial Planning enables the management to conduct its college activities efficiently. Further, they agree with the view that Financial Planning provides a benchmark or a yardstick for measuring and evaluating the performance of individuals and it further monitors the expenditure of the departments.

Importance of Financial Planning:

Financial Planning is primarily concerned

with operational planning which ensures the administrators about successful implementation of an action and monitoring plans by team work. An Operational Plan is required to conduct a broad analysis of the human and other capacities required to implement any project – and current and potential sources of resources and active constituents to strengthen the capacity building process. This analysis should build on the earlier work in setting up a project team. The chart below highlights the present situation in the sample colleges.



In operational planning 16.22% respondents consider that Financial Planning is vital, 59.46% agree that they are very important, 21.62% admit that it is moderately important, whereas 02.70% respondent colleges consider it of little importance. It is also observed that 16.22% respondent colleges consider decentralization of decision is significantly important, 59.46% respondents agree that it is very important, 21.62% admit that is moderately important, whereas 02.70% colleges consider it of little importance.

Practicability of Financial Planning:

Financial planning is not substitute to management because the efficiency and utility of financial planning depends on the skill and experience expertise of the management. It cannot be executed automatically as continuous efforts are necessary for the execution of the budget. Hence, it is practiced by every organization every financial year, which ascertains that it is practicable. The data given below in the table configures the status of practicability of Financial Planning in the sample colleges.

Variable	Response					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Do you agree that the Financial Planning is not practicable, as it is based on estimates?	14	18.92	60	81.08	74	100

There are 81.08% respondent colleges which consider Financial Planning is true and practicable as it is based on estimates. The colleges believe that Financial Planning is practicable and true as it is based on estimates.

To conclude one can state that financial planning is a prerequisite for every college as it facilitates the smooth conduct of

curricular, co-curricular and extracurricular activities in educational institutions. Activity based financial planning makes micro level analysis of income and expenditures whereas periodicity in financial planning measures the performance of the expenses made after every interval. Thus performance of all resources is measurable in colleges.

Further, this paper will assist the college administrators in their academic and financial plannings not only in the colleges from the jurisdiction of University of

Mumbai but also the colleges in the jurisdiction of other universities in India as well as abroad.

References:

1. <http://www.google.co.in/url?url=http://articles.timesofindia.indiatimes.com>.
2. Henry C. Dekker, Tom Groot and Martin Schoute, Determining Performance Targets "Behavioral Research in Accounting": Fall, Published Online: January, 2012, Vol. 24, No. 2, Pp. 21-46.
3. Robert S. Kaplan, "In Defense of Activity-Based Cost Management," Management Accounting 74, no. 5 (November 1992): 58.
4. Joel G. Siegel and Jae K. Shim, "Dictionary of Accounting Terms". Third Edition Barron's Educational Series, Inc. 2000, Hauppauge, NY, p.376.
5. Frankie-Dolor TR. Evaluating resources for business education programme. In E.A Aromolaran (Ed). Book of reading in business education. I (1): 2002, p.127.
6. Wagh, Ashok. "Budgetary Control System and its Application to the Educational Institutions with Reference to Arts, Commerce and Science Colleges" Ph. D. Thesis submitted to University of Mumbai: March, 2013.

Dhanashree Publications

Flat No. 01, Nirman Sagar CHS,
Thana Naka, Panvel, Raigad - 410206



Research Chronicler

International Multidisciplinary Research Journal

www.research-chronicler.com