BUDGETARY CONTROL AT MANGALORE CHEMICALS AND FERTILIZERS LTD.: AN EMPIRICAL STUDY DURING FY 2011-12

By

RAVINARAYANA K. S

Department of Business Administration, Vijayanagara Sri Krishnadevaraya University, Jnana Sagara Campus, Bellary, Karnataka, India.

Date Received: 12/08/2019 *Date Revised: 05/11/2019* *Date Accepted: 25/11/2019*

ABSTRACT

This study has been conducted on the budgetary control at MCF, to examine the following points. In MCF, the annual operational plan was prepared for ascertaining the budgeted performances with actual performances. The actual sales of the company is increased from 2007-08 to 2011-12 as compared to budgeted sales. The study is based on the data made available by Mangalore Chemicals and Fertilizers Limited. The analysis was conducted for a period of 6 weeks from 10th December 2012 to 19th January 2013. The study is based on secondary data, collected from the information provided by the company and by interview with the executives of the company. The t-test was used to evaluate the accuracy of the budget by comparing budgeted figures with actual figures. From the study it can be concluded that budgetary control is treated as one of the better techniques for minimizing cost and maximizing profit in Mangalore Chemicals and Fertilizers Limited.

Keywords: Budgetary Control, Mangalore Chemicals and Fertilizers Limited, t-Test.

INTRODUCTION

This study is a detailed project work conducted at Mangalore Chemicals and Fertilizers Limited. The purpose of the research is to know and understand the budgetary control system prevalent in Mangalore Chemicals and Fertilizers Limited. Mangalore Chemicals and Fertilizers Limited is the only manufacturer of chemical fertilizers in the Karnataka state. This company is operating since last four decades, expanding its operation from base level. The company is undertaking the production of chemical fertilizers such as Mangala Urea, Mangala DAP, Ammonium Bi Carbonate, Mangala. The study was conducted with the help of secondary data that was systematically arranged and interpreted to draw meaningful conclusions. The study will help the company to know the key areas that need management's attention.

1. Statement of Problem

In today's dynamic world, the success of any organization depends upon how well it prepares and executes its budget. The budget will be prepared after consulting and considering each and every department's views and requirements. So it is very essential to know the success of previous budget when you prepare next budget. The adjustment can be made based on the success and failure of last budget. In other words, effective control over deviation can be made. So this study helps to know these aspects in detail.

2. Objectives of the Study

The project on budgetary control has been undertaken while keeping the following objectives in consideration,

- To study the existing budgetary control methods and practices at MCF Ltd.
- To compare the budgeted figures with actual figures.
- To find out any deviation in the budgetary control system.
- To analyze how budgetary control helps the MCF Ltd to select best course of action.

3. Scope of the Study

The scope of the study has been limited to Mangalore chemicals and fertilizers limited. For the purpose of collecting data, seeking information organisation was taken as one unit. However, considerable time is spent with finance department.

4. Methodology of the Study

The information about chemical and fertilizers industries is collected through websites, related magazines, and various journals, which are available in the library of Mangalore Chemicals and Fertilizers Limited.

Secondary data was collected from the relevant literature, different accounting records, research reports, and other records maintained by the Finance Department, Stores Department and HR Department, Published books, Magazines, Journals, Websites, and also published annual reports of the company. The information regarding administration records, profit and loss account, cost Sheet and management reports of last five years was taken from the financial records maintained by the company.

5. Analysis Technique

The t-test was used to evaluate the accuracy of the budget by comparing budgeted figures with actual figures.

5.1 Hypothesis

The following hypothesis was framed to test the accuracy of the budget:

Ho_1 = There is no significant difference between actual data and budgeted data in the year 2011-12.

Ho_2 = There is no significant difference between actual data and budgeted data in the year 2010-11.

Ho_3 = There is no significant difference between actual data and budgeted data in the year 2009-10.

Ho_4 = There is no significant difference between actual data and budgeted data in the year 2008-09.

Ho_5 = There is no significant difference between actual data and budgeted data in the year 2007-08.

6. Literature Review

Phyrr (1970) found out the relationship between the budgeting system and the organizational performance and determined that, it is important for the firm to determine the patterns of the expenditure of the organization and its performance. Hirst (1987) clarifies that a powerful budgetary control understands organisation have to design and think about how to stand up to future potential dangers and openings by setting up a productive arrangement of control, a locator of differences between hierarchical goals, and execution. Shields and Young (1993) viewed budget as the center component of a productive control process and subsequently essential part to the umbrella idea of a powerful budgetary control. Norton and Kaplan (1999) pointed towards arrangement of a rational arrangement of sensible rules that structure the general edge of reference for the assessment and advancement of sound bookkeeping practices and strategy improvement. Otley and Pollanen (2000) align with their previous works and suggest that budget any control practices differ across organizations with their culture and time and no universal pattern could be predicted. Sawhill and Williamson (2001) argued that budget also can be used as an indicator of the performance of the ruling government. It is a statement of 13 whether they are competent in administering the organization and the national resources. Scott (2005) during spending planning strategies thought of elective blueprints turns into a necessary part and prompts expanded sanity. A financial limit permits an objective, a standard of execution to be set up with resulting examination of real results with the made standard. It requires those included to be forward looking as opposed to thinking back. Srinivasan (2005) explains that there are a few determinants to successful spending execution of spending plans among associations. These included satisfactory accessibility of budgetary assets, capable human asset, cooperation of both staff, and different partners in the planning procedure, legitimate arranging, assessment, observing and control of the spending procedure, and staff inspiration. Selznick (1948) opined that budgets have along these lines been distinguished as assuming various jobs which incorporate making objectives express, coding learning, encouraging control, and contracting with outside gatherings. Robinson and Last (2009) argued that if an organization has lesser income they might have to find a way to fund their estimated budget by borrowing and tax restructuring. Silva and Jayamaha (2012) budgets project future monetary execution which empowers assessing the budgetary practicality of a picked methodology. In many associations this procedure is formalized by getting ready yearly spending plans and observing execution against spending plans. Spending plans are in this way simply an accumulation of plans and conjectures. Sharma (2012) said that usage of budgetary strategies are the foundation of short to medium-term targets, which effectively provides assessments of future deals incomes and costs, to give short and long haul goals for an organized administration strategy. Benchmarks for the board and assignment controls are given by looking at real outcomes with planned plans and to take remedial activities if fundamental.

7. Limitations of the Study

Despite all the possible efforts made to analyze the data related to Budgeted values and Actual values associated with all the departments of the company, there are certain factors which would negatively impact the study. The limitations of this study are, there are many other tools for the study budgetary control other than t-Test analysis, which may give variable answers. Time was another constraint since the study was limited to 6 weeks only. The study has also been limited to only scenario analysis tools. Despite all these limitations, sincere efforts have been made to collect information and make the study scientifically tested as per the methods.

8. Budgetary Control Techniques

8.1 Variance Analysis

In budgeting (or management accounting in general), a variance is the difference between a budgeted, planned, or standard amount and the actual amount incurred/sold. Variances can be computed for both costs and revenues. The concept of variance is intrinsically connected with planned and actual results and effects of the difference between those two on the performance of the entity or company.

8.2 Control Center

A cost center is part of an organization that does not produce direct profit and adds to the cost of running a company. Examples of cost centers include research and development departments, marketing departments, help desks, and customer service/contact centers. Although not always demonstrably profitable, a cost center typically adds to revenue indirectly or fulfills some other corporate mandate. Money spent on research and development, for example, may yield innovations that will be profitable in the future. Investments in public relations and customer service may result in more customers and increased customer loyalty. Because the cost center has a negative impact on profit (at least on the surface), it is a likely target for rollbacks and layoffs when budgets are cut. Operational decisions in a contact center, for example, are typically driven by cost considerations. Financial investments in new equipment, technology, and staff are often difficult to justify to management because indirect profitability is hard to translate to bottom-line figures. Business metrics are sometimes employed to quantify the benefits of a cost center and relate costs and benefits to those of the organization as a whole. In a contact center, for example, metrics such as average handle time, service level and cost per call are used in conjunction with other calculations to justify current or improved funding.

8.3 Forecasting

Budget forecasting is a critical part of planning the future of a business. Whether the budget is for the next month, year or decade, business owners attempt to be as accurate as possible. The three main budgeting techniques include Incremental Budgeting, Zero-Based Budgeting and Flexed Budgeting. Each of these techniques has advantages and drawbacks

9. Data Analysis and Interpretation

The data analysis is conducted to find out any deviation in the budgetary control system, i.e. compare the budgeted figures with actual figures and comparison of financial statements for different financial years of Mangalore Chemicals and Fertilizers Ltd. This data analysis based on various strategic tools like standard deviation, standard error, and t-test is used to evaluate the accuracy of the budget by comparing budgeted value with actual value. The analysis help to find out how the budget will be prepared and how well it is implemented in the company. The budgetary control acts as a safety tool for an organization because it helps to identify business risks and necessary steps to avoid risk in the company.

In the year 2011-12, the turnover was budgeted at `.3,035 crores, which was the highest ever in the history of the company. Profit Before Tax (PBT) was budgeted at `.97 crores of 2011-2012 against `.112 crores of 2010-11. There is reduction in PBT, due to increase in interest and financial charges by `.9 crores and the forex gain of around `.10 crores earned in 2010-11. There is much difference in the value of interest and depreciation, the main reason is that they involving a capital expenditure of around `.340 crores over the next two years. They are consider the additional depreciation for their capital expenditure, i.e. Installing Naphtha/ Furnace oil to Natural Gas and interest on term loan to finance this expenditure.

The t-test indicates that the calculated values are not within the range of critical value. So, there is a significant difference between the budgeted value and the actual value. The results become somewhat not more suggestive of a difference in the Interest, other income, and EBITDA. All the costs and revenues are estimated accurately by the company. Table 1. shows the actual figures of studied variables and Table 2. shows the statistical significance for the year 2011-12. For statistical significance, t test is conducted and it was found that the variables such as EBITDA, Interest, and other income are statistically significant as the t values are greater than critical value.

In the year 2010-11 the turnover was budgeted at `.2,537 crores against `.2,075 crores for 2009-10. The increase in turnover was mainly due to higher budgeted sales of Granulated Fertilizers and Imported Delivered-at-Place (DAP). The EBITDA was budgeted at ` 135 crores against ` 127 crores of 2009-10 and PBT was estimated at ` 89 crores against ` 80 crores for 2009-10. There has been a reduction in marketing cost because there was a reduction under various heads of marketing variable expenses such as secondary freight expenditure. The finance, Human resource, legal and IT departments should continuously look for opportunities to effect cost reduction by innovative initiative.

The t-test indicates that the calculated values are within the range of critical value. So, there is no significany difference between the budgeted value and the actual value. All the costs and revenues are estimated accurately by the company. The inference from the above discussion is that the company uses appropriate budgetary control system to have a balanced working. There is insignificant statistical difference between budgetary values and actual values for the year 2010-11,

Particulars	2011 Actual	2010 Actual	2009 Actual	2008 Actual	2007 Actual	N	S.D	S.E
Sales	3707.17	2520.46	2075.64	2469.62	1665.04	5	764.05	341.69
EBITDA	208.73	159.06	130.61	131.85	103.29	5	39.89	17.84
Interest	77.16	18.58	23.44	36	15.43	5	25.30	11.32
Depreciation	29.1	28.88	18.37	16.96	15.91	5	6.58	2.94
PBT	102.47	111.6	84.53	43.26	58.34	5	28.91	12.93
PAT	69.1	77.54	56.49	28.17	40.46	5	20.24	9.05
Other Income	12.95	3.36	6.09	14.42	9.09	5	4.61	2.06
Operating Cost	3486	2324	1541	2374	1100	5	913.46	408.51
Marketing Cost	146	110	51	75	59	5	39.46	17.64

$$s = \frac{\sqrt{\sum d^2 - n(\bar{d})^2}}{n-1}$$

$$S.E = \frac{\sigma}{\sqrt{n}}$$

Table 1. Table Showing the Calculation of Standard Deviation and Standard Error (Figures in Rs. (Crores))

Particulars	Amount		Diff	T-test
	Actual	Budget		
Sales	3707.17	3035	672.17	1.97
EBITDA	208.73	155	53.73	3.01
Interest	77.16	27	50.16	4.43
Depreciation	29.1	23	6.10	2.07
PBT	102.47	97	5.47	0.42
PAT	69.1	66	3.10	0.34
Other Income	12.95	2	10.95	5.31
Operating Cost	3486	2761	725.00	1.77
Marketing Cost	146	120	26.00	1.47

Critical Value = 2.776

$$t = \frac{Diff}{S.E}$$

Table 2. Calculated Values of t-test for the year 2011-12 (Figures in Rs. (Crores))

In the year 2009-10 the turnover was `.2,075 crores as against `.2,469 crores for 2008-09, was down 16%. The major reason for decrease in turnover despite higher volumes is decrease in major raw material prices compared to previous year and resultant in subsidy /concession by the government. The PBT at `.80 crores is only marginally higher than `.57 crores of previous year i.e (before considering loss on fertilizer bonds). The budgeted

EBITDA of `.127 crores was almost 4% lower than 2008-2009. In this year, operating cost was reduced, the main reason for reduction in operating cost was that the company adopted some innovativeness and flexibility in all spheres of operation. It includes sales and marketing strategy, brand building, credit policy, product mix, production process and planning, make and buy decision, maintenance scheduling, etc.

The t-test indicates that the calculated values are within the range of critical value. So, there is no significant difference between the budgeted value and the actual value. The results become somewhat more suggestive of a difference in the operating cost. All the costs and revenues are estimated accurately by the company. This indicates that for the year 2009-10, the estimates match with budgetary estimates. The budget report easily permits managers to focus on smooth operations of the company.

In the year 2008-09, the turnover was budgeted at `.2,469 crores against `.1569 crores for 2007-08. The increase in turnover was mainly due to increase in the demand for urea and DAP. The EBITDA was budgeted at `.112 crores against `.94 crores of 2007-O8 and PBT is estimated at `.57 crores against `.62 crores for 2007-08. There is increase in marketing cost because company is more concentrating on promotion activities.

The t-test indicates that the calculated values are within the range of critical value. So, there is a significant difference between the budgeted value and the actual value. The results become somewhat not more suggestive of a difference in the operating cost. The results show that the company is planning for future by setting up various budgets; the requirements and expected performance of the enterprise are anticipated adequately for the year 2008-09.

In the year 2007-08, the turnover was `.1569 Crores as against `.1371 crores for 2006-07, it was increased up to 198 crores. The PBT at `.62 Crores was marginally higher than `.37 crores of previous years. The budgeted EBITDA `.94 crores was almost 5% higher than 2006-2007. In this year operating cost was reduced which is the main reason for reduction in operating cost as the company has adopted some innovative strategy for manufacturing the product.

The t-test indicates that the calculated values are within the range of critical value. So, there is no significance difference between the budgeted value and the actual value. The results become somewhat more suggestive of a difference in the operating cost. The calculated t-value falls in the acceptance region. Hence, the null hypothesis is acceptable. Thus, there is no significant difference between actual values and budgeted values. So, it is concluded that the budgeted values are correct and accurate. This analysis shows that the company is more focussing on elimination of wastes and increases in profitability. The company is able to capture the correct estimation of capital expenditure for future.

Tables 1-6 explain the relationship of actual values with budgetary figures for the year 2011-2007. The t-test will explain the statistical relationship between two variables. In the last 5 years except for the year 2011-12 , the company is able to have appropriate budgetary control as it is indicated in t-test. In the year 2011-12, it was found that the variables, such as EBITDA, Interest, and other income are statistically significant.

10. Variance Analysis

10.1 Favorable Variance

A variance can be put into the favorable category when the results are better than expected. This means that revenues were more than the expected amount or costs below the budgeted amount.

10.2 Unfavorable Variance

In contrast, the variance can be judged as unfavorable, if the results are worse than expected. If the revenues were below expectations or the costs were higher than standard, the variance would be termed unfavorable or adverse.

10.3 Sales

The following calculations are performed to analyze the variance between actual sales and budgeted sales.

Table 7. shows that the actual sales was more than the budgeted sales in 2011-12, 2009-10, 2008-09, and 2007-08. In the year 2011-2012 it was increased up to `.672 crores, where the actual sales is more the budgeted sales. Therefore, the result is favorable. In the year 2010-11, actual sales was less the budgeted sales. Therefore, the result is unfavorable.

Particulars	Amount		Diff	T-test
	Actual	Budget		
Sales	2520.46	2537	(16.54)	(0.05)
EBITDA	159.06	135	24.06	1.35
Interest	18.58	24	(5.42)	(0.48)
Depreciation	28.88	22	6.88	2.34
PBT	111.6	89	22.60	1.75
PAT	77.54	59	18.54	2.05
Other Income	3.36	3	0.36	0.17
Operating Cost	2324	2291	33.00	0.08
Marketing Cost	110	114	(4.00)	(0.23)

Critical Value = 2.776

$$t = \frac{Diff}{S.E}$$

Table 3. Calculated Values of t-Test for the Year 2010-11 (Figures in Rs. (Crores))

Particulars	Amount		Diff	T-test
	Actual	Budget		
Sales	2075.64	2075	0.64	0.00
EBITDA	130.61	127	3.61	0.20
Interest	23.44	27	(3.56)	(0.31)
Depreciation	18.37	20	(1.63)	(0.55)
PBT	84.53	80	4.53	0.35
PAT	56.49	52	4.49	0.50
Other Income	6.09	3	3.09	1.50
Operating Cost	1541	1852	(311.00)	(0.76)
Marketing Cost	51	98	(47.00)	(2.66)

Critical Value = 2.776

$$t = \frac{Diff}{S.E}$$

Table 4. Calculated Values of t-Test for the Year 2009-10 (Figures in Rs. (Crores))

Figure 1. shows the clear picture about the variance between actual sales and budgeted sales.

10.4 Operating Cost

The following calculations are performed to analyze the variance between actual operating cost and budgeted operating cost.

Table 8 shows that the actual operating cost was more than the budgeted operating cost in 2011-12, 2010-11, 2008-09, where the actual operating cost was higher than the budgeted operating cost. So the result is unfavorable. In the year 2009-10, actual operating cost was less the budgeted cost. So, the result is favorable.

Figure 2 shows the clear picture about the variance between actual operating cost and budgeted operating cost.

10.5 Other Income

The following calculations are performed to analyze the

Particulars	Amount		Diff	T-test
	Actual	Budget		
Sales	2469.62	2469	0.62	0.00
EBITDA	131.85	112	19.85	1.11
Interest	36	37	(1.00)	(0.09)
Depreciation	16.96	18	(1.04)	(0.35)
PBT	43.26	57	(13.74)	(1.06)
PAT	28.17	37	(8.83)	(0.98)
Other Income	14.42	15	(0.58)	(0.28)
Operating Cost	2374	2278	96.00	0.24
Marketing Cost	75	74	1.00	0.06

Critical Value = 2.776

$$t = \frac{Diff}{S.E}$$

Table 5. Values of t-Test for the Year 2008-09 (Figures in Rs. (Crores))

Particulars	Amount		Diff	T-test
	Actual	Budget		
Sales	1665.04	1569	96.04	0.28
EBITDA	103.29	94.14	9.15	0.51
Interest	15.43	16.71	(1.28)	(0.11)
Depreciation	15.91	16.9	(0.99)	(0.34)
PBT	58.34	62.19	(3.85)	(0.30)
PAT	40.46	41.32	(0.86)	(0.10)
Other Income	9.09	12	(2.91)	(1.41)
Operating Cost	1100	1315	(215.00)	(0.53)
Marketing Cost	59	56	3.00	0.17

Critical Value = 2.776

$$t = \frac{Diff}{S.E}$$

Table 6. Calculated Values of t-test for the Year 2007-08 (Figures in Rs. (Crores))

variance between actual other income and budgeted other income.

Table 9. shows that the actual other income was more than the budgeted other income in 2011-12, 2010-11, 2009-10 and 2008-09. In the year 2011-2012 it was increased up to `.10 crores, Where the actual other income was more the budgeted other income, therefore the result is favorable. In the year 2008-09 and 2007-08 actual other income was less than the estimated other income so, result was unfavorable.

Figure 3 shows the clear picture about the variance between actual other income and budgeted other income.

10.6 Marketing Cost

The following calculations are performed to analyze the variance between actual marketing cost and budgeted

Year	Rs. In Crores		Result
	Actual	Budget	
2011-12	3707.17	3035	Favorable
2010-11	2520.46	2537	Unfavorable
2009-10	2075.64	2075	Favourable
2008-09	2469.62	2469	Favourable
2007-08	1665.04	1569	Favourable

Table 7. Variance Analysis of Sales

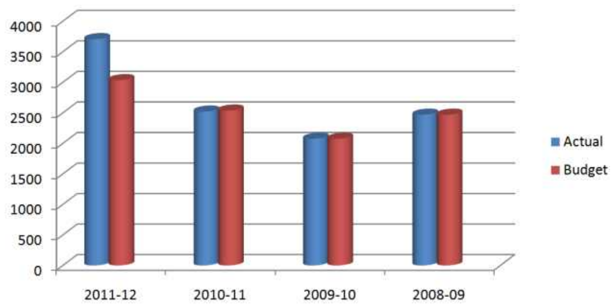

Figure 1. Variance Analysis of Sales

Year	Rs. In Crores		Result
	Actual	Budget	
2011-12	3486	2761	Unfavourable
2010-11	2324	2291	Unfavourable
2009-10	1541	1852	Favourable
2008-09	2374	2278	Unfavourable
2007-08	1100	1315	Favourable

Table 8. Variance Analysis of Operating Cost

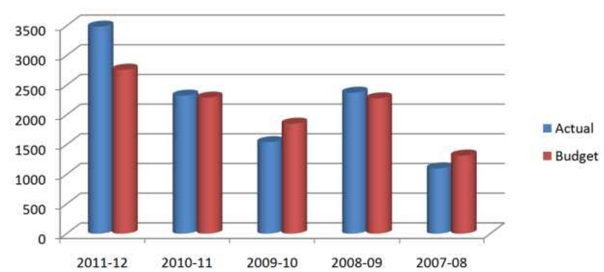

Figure 2. Analysis of Operating Cost

marketing cost.

Table 10 shows that the actual marketing cost was more than the budgeted marketing cost in 2011-12, 2010-11, 2008-09, and 2007-08. The actual marketing cost was higher than the estimated marketing cost therefore result is unfavorable. In the year 2009-10 actual marketing cost was less than the budgeted cost. So, the result was favorable.

Figure 4 shows the clear picture about the variance between actual marketing cost and budgeted marketing cost.

Findings

My study conducted on the budgetary control at MCF

Year	Rs. In Crores		Result
	Actual	Budget	
2011-12	12.95	2	Favourable
2010-11	3.36	3	Favourable
2009-10	6.09	3	Favourable
2008-09	14.42	15	Unfavourable
2007-08	9.09	12	Unfavourable

Table 9. Variance Analysis of Other Income

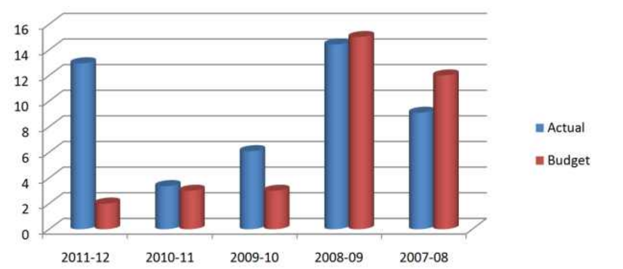

Figure 3. Analysis of Other Income

Year	Rs. In Crores		Result
	Actual	Budget	
2011-12	146	120	Unfavourable
2010-11	110	114	Favourable
2009-10	51	98	Favourable
2008-09	75	74	Unfavourable
2007-08	59	56	Unfavourable

Table 10. Variance Analysis of Marketing Cost

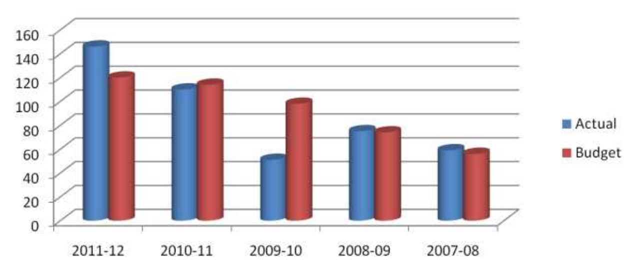

Figure 4. Variance Analysis of Marketing Cost

have determined the following points. In MCF, the annual operational plan was prepared for ascertaining the budgeted performances, with Actual Performances. The actual sales of the company is increased from 2007-08 to 2011-12 as compared to budgeted sales. In the year 2011-12, the actual operating cost is more than the budgeted cost, the main reason for increase in the cost was that the company changed its operating system, i.e. ammonia/urea plant and CPP from Naphtha/Furnace oil to Natural Gas. In the year 2011-12, the company is budgeted `.15 Crs. reduction in PBT, due to uncertainty of supply of imported Fertilizers. The normal monsoon and resultant has increased the demand for product, so there is a scope for an increase in turnover for future. The company should give more focus on some areas to improve the profitability and effective control over deviation in the budgeted and actual performances, i.e. strict control over R&M and administration expenses. The Finance, HR, Legal and IT departments are continuously looks for opportunities to cost reduction by innovative initiatives Therefore actual cost is less than the budgeted cost, which is the favourable result to company.

Conclusion

From the study it can be concluded that budgetary control is treated as one of the better techniques for minimizing cost and maximizing profit in Mangalore Chemicals and Fertilizers Limited. Budgetary control department works as a backbone of top management. It has collected data from each department and converted that data from information. Budgetary control techniques play an important role in the profit marketing or smooth running of the company. It coordinates the entire department like finance, marketing, and production in the company. It makes the decentralization of authority in the organisation which helps organisation, goal with in stipulated period of time. Budgetary Control acts as a safety tool for an organisation because it helps to identify business risks and necessary steps to be taken to avoid the risk. Budgetary technique helps to know how the available monetary resources can be utilized effectively. These techniques focus on efficiency in the allocation of resources in particular time. As the finance department is the soul of any organisation. With the support of good budgetary control, the management of marketing, finance, production and personnel would become more efficient and it helps the organisation by making the finance department effective.

References

[1]. **Hirst, M. K. (1987).** The effects of setting budget goals and task uncertainty on performance: A theoretical analysis. *The Accounting Review,* 62(4), 774-784.

[2]. **Norton, D. P., & Kaplan, R. (1999).** The Balanced Scorecard: Translating strategy into action. *Institute for International Research*.

[3]. **Otley, D., & Pollanen, R. M. (2000).** Budgetary criteria in performance evaluation: A critical appraisal using new evidence. *Accounting, Organizations and Society,* 25(4-5), 483-496. https://doi.org/10.1016/S0361-3682(98)00031-2

[4]. **Phyrr, P. (1970).** *Zero Base Budgeting: A Practical Management Tool for Evaluating Expenses.* NY: John wiley

[5]. **Robinson, M., & Last, D. (2009).** Budgetary Control Model: The Process of Translation. *Accounting, Organization and Society,* 16 (5/6), 547-570.

[6]. **Sawhill, J. C., & Williamson, D. (2001).** Mission impossible?: Measuring success in nonprofit organizations. *Nonprofit Management and Leadership,* 11(3), 371-386. https://doi.org/10.1002/nml.11309

[7]. **Scott, W. R. (2005).** *Information Processing: Creating Organizations.* Englewood Cliffs.

[8]. **Selznick, P. (1948).** Foundations of the theory of organization. *American Sociological Review,* 13(1), 25-35. https://doi.org/10.2307/2086752

[9]. **Sharma, P. (2012).** Performance Measurement in NGO's. *The Management Accountant,* 1442-1445.

[10]. **Shields, M. D., & Young, S. M. (1993).** Antecedents and consequences of participative budgeting: Evidence on the effects of asymmetrical information. *Journal of Management Accounting Research,* 5(1), 265-280.

[11]. **Silva, L. M., & Jayamaha, A. (2012).** Budgetary Process and organizational performance of Apparel Industry in Sri Lanka. *Journal of Emerging Trends in Economics and Management Sciences,* 3 (4), 354-360.

[12]. **Srinivasan, U. (1987).** *Current Budgeting Practices in Us Industry: The State of the Art.* CA: Prayer.

ABOUT THE AUTHOR

Dr. Ravinarayana K. S. is currently working as an Assistant Professor in the Department of Business Administration at Vijayanagara Sri Krishnadevaraya University, Bellary, Karnataka, India. He has 12 years of teaching experience. He is a BA LL.B, MBA, from Mangalore University. He is the recepient of I rank in LL.B. He is the recepient of two gold medals for securing highest marks in LL.B from Mangalore University. He has completed Ph.D from VSK University Bellary. He has published several research papers in National and International refereed Journals. He has also presented papers in National and International Conferences.