

FINANCIAL ADMINISTRATION AND CONTROLLING
MECHANISM OF HIGHER EDUCATION INSTITUTION
FOCUSING CENTRAL UNIVERSITIES OF INDIA WITH
SPECIAL REFERENCE TO BABASAHEB BHIMRAO
AMBEDKAR UNIVERSITY LUCKNOW U.P.

Summary of Ph.D. THESIS

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SUMMARY

Introduction

The education completed after of school education class 12th known as higher education. Under the higher education in India constitute various degrees like Bachelor/ undergraduate degree, diploma, PG/Master's Degree and pre Doctoral/Doctoral Degree programs etc. these degrees also known as technical and non-technical education. These technical education control by the AICTE , in form of program training and research and in engineering, architecture, town planning, pharmacy , management, and crafts and applied arts and such other programs or fields.

At present there is almost 23.6 per cent 'Gross Enrolment Ratio (GER) in India which is much lesser than the average 30 per cent GER of the world. It is the target to increase GER by 23.6 per cent at the end of the 12th plan. Currently, there are almost 65 per cent number of an unaided higher education institution is rise in the private sector, approx. 24 per cent private educational sector's institutes have improved it access ensure to higher education and more than 50 per cent accommodate enrolled show of students. The financing of the higher education obtain importance by a statement which is not only in terms of historical track. The estimate for future but also for the measure in what direction of central plan visualize by the UGC to determine its sizable plan fix its scheme and programs, in other words, it images a challenge if the actual plan size falls lesser of the required scheme. Thus due to the scarcity of resources arises due to assured significant reasons that appear uncertain in the discipline planning of education and policy for the UGC.

Therefore it becomes difficult as a constitutional body of the state. An overview education policy and planning need to be achieve through the Government-appointment commission and committee on education. It would show where the gap between the execution and policy? This would link some unclouded on the large gap of investment to explain the equity and quality. The gap explain in terms of discriminate between the actual achievement and expected outcome and achievement on quality and preparation so that NITI Aayog could study this more factually which it examine actual allocation. A positive attempt make by this study to forecast the

large gap in investment and expenditure after making provision for plan assist and the current level of denationalization which make the potential for commercialization.

The insufficient program assists to understand in the context of policy failure. It is an effort to display that a large financial gap required to be managed by the proper strategy. The means as ways it should be found to bridge this gap so that it realise the inclusive economic growth. In the absence of in the proper strategy huge gap of investment has been uncured and it will have unfavourable consequences in the Higher Education. Thus to managing the gap of investment managing with the help of cost-sharing students should provide great focus. A proactive step to bridge this gap suggested. For the defining the financing of higher education should be based on the principle of nature and objective of higher education.

The public assets or human capital which is create by society and for the society through the knowledge under the Higher Education. Therefore financing play a primary and crucial responsibility in the higher education along with the Govt. However, it is debated higher education partially if not wholly is private assets. The education and knowledge pass on to entitle to individual and him to a future income with this point of view it permit to financing the higher education. The state plays an important role progressively to economise and finance the institutions for the higher education liberally because of matter of production of knowledge.

Today it is need to fulfil the increasing demand of youths in the higher education. To get the quality of education the cost of unit per student continuously going to hike of the higher education thus we need too much investment. However, higher education state funds decrease.

An expected consequence of high and growing investment gap has been arises because of market forces, to guide the development in the higher education for allocation of fund on cast of per students. Another factor behind to increase the cost per students is privatization and still substandard the business practices have directed the present phase in the development of higher education.

There is great necessity to stop the condition of making gap of investment in such away where the commercial expansion can be stop in the higher education. And there we can be ensuring quality higher education to the large numbers of aspirants. In this sequence we have to develop diverse source of financing and funding mechanism to promote the qualitative higher education system, so that parallel maintain cost of

per student to meet the objectives of access, quality and equity in higher education by providing world class competitive education.

OBJECTIVE OF THE STUDY

The major objective of the research is to study and analyse the Financial Administration and controlling mechanism central universities of India with special reference to Babasaheb Bhimrao Ambedkar University, Lucknow Uttar Pradesh.

Towards the objective, the following specific objectives are taken up for study.

- i.** To study the concept of Central Universities of India.
- ii.** To study the Mechanism of Financial Administration of Central Universities.
- iii.** To study the Financial Controlling Mechanism of Central Universities.
- iv.** To study the Planning and Budget control procedures of the Central Universities.

RESEARCH GAP

From the above analysis it would be seen there is no full-fledged academic research study on FA. The FA of Central universities has been conducted. As a significant relation and model in the University systems, Central University should work efficiently effectively which applies the modern technique/principles of financial management. Thus, the present study bridges a long existed gap in the area of research.

STATEMENT OF THE PROBLEM

In the service sector the wide conceptual structure of Financial Administration particularly in education. Now it considered as important means of HRD and subsequently a significant factor of national development, a detailed study on FA on Central universities, which are concerned with highest organizations of Higher Education, Research. In In this study research and development programme is carried out with special reference to BBAU. On the portals of higher educational universities/institution, the cream of top-level and middle-level managers is formed. In the FA Universities can become a model institution with a co-ordinated instruction of the faculties and managerial experts.

SIGNIFICANCE OF STUDY

The study at global and national on cost Benefits analysis levels have that the rate of return on universities education is relatively less than that another level of education. The unit cost of students is the maximum at the level of university. Whereas it is imperious that greatest effort, Further, the universities are the sources of circulating pioneering principles of FM among organisations and other industrial and the Universities themselves must accept such rigorous principles and concepts of modern FM.

SCOPE OF THE STUDY

The Financial Management (FM) as an application of general management principles to the field of financial decision making defined by Howard and Upton, The most efficient and effective way of financial administering of the enterprise Though Universities are not profit making business organisation and the efficiency of operation can be maximised by approving sound procedures and principles of FA.

In the Universities, FA can be viewed from two different angles.

1. Financial Administration as viewed by top Managers and Administrators namely Registrar and Finance Officer, Vice-Chancellor and controlling the organisations such as the UGC. The FA assists in monitoring the effective distribution of funds in fixed assets and working capital. The FA essentially helps in improving the output from an assumed input of funds. It requires, taking investment decisions, financial estimating, and formulating Policy of Assets Management, and appraisal of financial performance, management of cash, analysis and recognizing new sources of finance.

2. The FA viewed as its beneficiaries namely Student, faculty, and customer and staffs these aspects of FA profit significance when reconsidering the operational efficiency of FA aspects. As University, not making profit motive organisation but it is a social motive organization, only by success in FA principles alone will not support it to attain its objectives, The main drive of the first aspect of the study, especially it considered by financial experts and the executive-in-charge, Finance Officer of the whole financial operations in the context of sound procedures. And principle of FM in philosophy and practice detailed study of Income and Expenditure,

Receipts and Payments; the Balance sheet is made to find out the trends from the angle of Financial Administration. The identified are deficiencies identified and methods to improve the FA have suggested.

RESEARCH METHODOLOGY

Sampling Design

The research method will follow comprise the following steps:

- **Nature of study:** The first objective of the study envisages a historic and descriptive research method. And other objectives require analytic approach, for remain objective need empirical study.
- **Sample size:** 250
- **Sampling method:** A judicious use of the historic method will be used to select the respondent. Stratified random sampling has been used to collect the data.
- **Research Techniques / Methods:** In the study of financial administration there is some important and applying research method and techniques were used to analyse the data of financial management. These methods were Descriptive method, Ratio Analysis, Variance Analysis, and Chi-square Test, Techniques of Budget Control etc.
- **Primary data:** The primary data will collect through structure questionnaires and personal & telephonic interview with the respondents like as faculty, students, staff.
- **Secondary data:** The secondary data was obtained from financial planning and development section of the university and publication of the UGC & Govt. of India report etc. And other sources of topic-related literature, published books, and articles published in different journals, periodical, conference paper, working paper, newspapers and magazines.
- **Tools:** The available public secondary data were mostly used, questionnaire attitude scale was designed. Non – descriptive interview technique was followed to enable the respondent, talk about their experience, views and opinion.
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RSEARCH FINDINGS AND PPROBLEMS
UNIVERSITY OBJECTIVE AND PROBLEMS

S. N.	FINNDING	POLICY PROBLEMS
1.	The BBAU was established in 1996, in Order to realize of its unique objectives as it was Dr. B.R. Ambedkar's vision to make as democratic and educated society of India.	To fulfill the objectives of BBAU about entire research and academic and outreach programs have been included in the Act Of the university.
2.	The central university has furnished to all students and teachers from all places to the country and too abroad.	All the necessaries facilities to students and teachers are providing like, sports, health the country and too out of the India. Hostels, mess and grievances redress.
3.	The BBAU is arranging various research constructive activities which design to preserve our environment.	The provision of workshops and seminars are conducting for the growth and development for the students and faculties members.
4.	The BBAU helping by providing free education to those students who are belonging to BPL families.	There are some provisions for free education to which they belong to below the poverty line from the Indian society.
5.	The BBAU has its special attention for the promotion educational and economic interest for their welfare as general and members belongs to SC/ST category.	The university has its special objective to rendering modern education to whom they are belong to deprived section of the society.
STRUCTURE OF FINANCIAL ADMNISTRATION		
6.	There has no specific financial accounts code for the particular	Every university should be its separate financial and accounting

	university at present. In current every procedure on the basis of general regulation of central Govt. of India which are not related for the academic purpose.	code to remove the confusion of departments. These codes should be approved by EC/FC of the university to improve the quality of financial administration.
7.	In the current scenario university become big industry in the field of education. It is demanding modern general in financial inputs to achieve its target effectively.	The university needs competent financial administration policies which fulfill the modern demand of financial administration.
7.7.10 MECHANISM OF FINANCIAL ADMINISTRATION OF BBAU		
8.	The student's service of the university not well organized and the format of the fee chalaan form found satisfactory.	The university needs to be upgrade of student's service.
9.	It was found that the procedure of fee & fellowship and scholarship payments not satisfactory.	The department of finance of the university needs to ensure timely payments procedure to students
VIEWS OF FACULTY /TEACHING STAFF		
10.	Through the study. It was found that the TA/DA and other payments claim need to be revised.	The university needs to increments and timely payments bills of TA /DA and other payments to its faculty staff.
11.	The study overall funds of financial administration and development system need to establish further better financial monitoring system.	The BBAU has required re-introducing such financial monitoring procedures which works finance department to

		other department properly.
STAFF /NON TEACHING STAFF VIEWS		
12	It was found that the TA/DA and medical reimbursement of Non-Teaching staff not timely providing.	The university needs to provide various payments like TA/ DA and Medical reimbursements, children fees, salaries etc. at time.
7.7.11. FINANCIAL CONTROLLING MECHANISM OF CENTRAL UNIVERSITY		
13.	The ratio analysis is an effective tool for the inter university comparison to diagnose the weakness of the FA of the university.	The ratio analysis used as techniques to analyze the FA of university. It used on various sections of accounts of university to improve effectively of FA.
14.	The internal receipt of BBAU was lower than BHU.	It was indicated the BBAU has lower internal receipts as consequent it need to increase internal sources of receipts to manage their expenses.
15.	The expenditure as academic and administrative on students and teacher was higher of BBAU.	The BBAU can be managing its administrative and academic expenditure by conducting such value added program in education like workshop, seminar and sports events etc. through make some charges on its
16.	The expenditures on non-teaching staff of BBAU were higher as compared to	There are two aspects to manage non-teaching

	BHU.	expenditure, first thing is shorting the staff and second thing is increase the strength of students.
17.	Per employee expenditure in BBAU is slightly lower than BHU.	The BBAU has opportunity to take benefits of lower per employee expenditure.
18.	The study of plain account was indicated the proportion of revenue expenditure higher in BBAU.	Under the study of BBAU has required more non-plan funds to provide better instrumental services like computer, equipment etc.
RECEIPTS ACCOUNT		
19.	The BBAU was not getting sufficient income under the heads of receipts, but BBAU has much better receipts under the heads of land and building.	It is requested to BBAU make focus to increase its receipts income for better investments in the progress of university.
20.	The study of Ratio Analysis of receipts and payments structure and non-plan expenditure higher of BBAU as compared to BHU.	The BBAU needs to manage the condition of over expenses by making proactive budgeting planning policies.
21.	The capital expenditure of BBAU was very low as compare to BHU.	The BBAU required to more investments to providing better facilities to its students.
22.	The library payments of BBAU were good than BHU.	The library facility of BBAU was satisfactory needs to maintain in future also
EARMARKED SPECIAL FUNDS ACCOUNTS PART- III		
23.	The received earmarked special fund of	The study indicates that the earmarked special funds of

	BBAU was higher than BHU.	BBAU are in positive condition.
DEBT DEPOSIT AND ADVANCE ACCOUNT RATIOS PART -IV		
24.	The fund shown as PF receipts security deposit receipts and receipts for caution deposits were positives of BBAU than BHU.	The study indicates the opportunity for BBAU to effective utilize of this fund has scope to maintain better financial condition and its good will. Along this the BBAU has represents adequate funds for paying temporary future expenses.
25.	The study of Ratio Analysis of receipts and payments structure and non-plan expenditure higher of BBAU as compared to BHU.	The BBAU needs to manage the condition of over expenses by making proactive budgeting planning policies.
BALANCE SHEET RATIOS		
27.	The balance sheets justify the impact of established hypothesis of third objective of this study. The analysis was evident the BBAU has significant impact on the financial controlling mechanism.	The analysis of this objective justify the H1 hypothesis was accepted whereas H0 (Null hypothesis) was rejected.
UNIT EXPENDITURE		
28.	The BBAU has lower unit expenditure as compare to BHU except per student's departmental expenditure of the university.	The BBAU has to improve its unit expenditure in future, which is the better indicator of infrastructure service to the students and teacher like expenditure on various assets ,

		equipment etc.
7.7.12. FINNCIAL PLANNING AND BUDGET CONTROL		
29.	The planning and budgeting are two important functions of financial administration. This budgeting control used as a tool of analytical review of universities financial administration.	The planning and budgeting of FA of universities based on the aspects of this technique first plan of action, second guide to current operation, and last third one is evaluation of performance.
30.	The BBAU was proactive by its estimate of receipts because of grants of university deducted meeting its total expenditure.	The study indicates that the BBAU has to control in future the problem of financial strengthens by maintaining precaution at the time preparing of budget estimates of receipts.
31.	The various incomes like student's fees, grants and donation had gone down of the university.	It was evident to overcome the problem of declining income the periodic study to improve this condition and controlling FA of university.
32.	The income receipts from DSW were positive and which increased. This is a good symbol of better utilization of university infrastructure.	The university needs to make such policies to maintain this tendency of increasing in future also.
33.	The miscellaneous / pending remittance of BBAU found positive which shown its better collection management of funds	If university has more variance in budget estimates in this case it is requested to office in-charge finance of the university take care when they preparing budget estimates.

34.	The funds amount which has utilized on the heads of fellowship, scholarship and for SC/ST student's welfare very low.	The university needs to focus management of such funds which facilitates to SC/ST students welfare, fellowship scholarship and hostel facilities so that the university fulfill its key objective.

The analytical study of various bibliographies on the topic of university finance the most depicted studies about them financing the colleges and universities in the context of providing grants and donations and their sources and. In these studies belong to the pattern of expenditure have in the majority. There are limited studies conducted on the topic of cost and effectiveness to better understand the financial administration of the university. There are relatively numbers of economics studies on education have been conducted to investigate the cost benefits and rate of return to measure the level of education.

Thus this study is special by taking the topic of general management and administration which deal with Financial Administration as a part of the illustration of the whole education institution, under this study taking macro-level analysis on various universities, detailed a case study has been conducted on financial administration. It has considered comprehensively at the department and at the level institutional of the following important parts, the pattern of income and expenditure, comparison of receipts and payment, unit direct expenditure on departmental basis, school level. The Planning and budgeting system make its effective instrument of Ratio Analysis, Variance Analysis for budget increases and decreasing income evolving better investment policies and their impact on FA.

This study conducts an inter-university comparison on the macro level as well as micro-level through applied techniques of ratio analysis. It has taken Banaras Hindu University to make comparison with Babasaheb Bhimrao Ambedkar University. There are various indicators were used to better analysis of FA of

the **BBAU** as a diagnostic factor compares with **BHU**. In brief, this study tried to its best to investigate the constraints and limitation and vital relates to aspects of Financial Administration in the university.

SUGGESTION FOR FUTURE RESEARCH

While exploring profound into the realm Of Financial Administration of BBAU, under the present study, various interesting new field of study has been found out. Some of the major areas for the further study are as follows.

- (a) An analytical method has been design to analyse the mechanism Financial Administration and controlling of higher education institution in India. There are there major points have been classified to study the financial administration of university. For getting primary views as data from the respondents these are view of scholars/ students, view faculty /teaching staff, and views of officers and non-teaching staff. Under the type of every viewer have some relative items to go into depth of the study and understand the mechanism of financial administration of the university. This comparative study give the better understanding about the mechanism of FA and further assist to making important decisions in the interest of university for better financial management and administration.
- (b) A separate study has been conducted to analyse the financial controlling mechanism of the Babashaheb Bhimrao Ambedkar University, Lucknow with compared to Banaras Hindu University, Banaras. An effective analytical tool has been designed in form of Ratio Analysis for inter – university comparison at macro level study. This tool has some diagnostic Ratios which classified in the context of Part-I to Part IV of Accounts and Balance Sheet of the university. Thus the Ratio Analysis has proved as an effective technique to analyse the financial position of the organisation.
- (c) A departmental wise separate important analytical study has been conducted with the help of Planning and Budgeting control to analyse the financial administration of the university. This study tried to analyse and trace to the unit expenditure and wasteful expenditure by making a comparison among the various department of the university. It was found that the application of variance analysis as useful technique to measure the financial management of the university.