CHAPTER - I

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INTRODUCTION:

In the effective functioning of any system, the constituents of the system play an important role. Indeed the efficiency of the system largely depends on the efficient working of these constituents. In case of the educational system particularly higher education system, teachers, teaching materials, modern educational infrastructure, their recruitment and management are crucial to the efficient and effective functioning of the system. For this purpose huge amount of funds are required. Therefore the nature and the extent of availability of funds and their management becomes the key factor in the efficient working of the higher educational institutions. Accordingly, agencies that provide fund, method through which funds are made available, the period of time involved and the conditions attached to their availability significantly influence the working of the institutions. So, for an efficient working of the higher educational institutions like university institutions there should be an effective and efficient system of financing or so called sound financial management.

However, the basic questions arising in this context is whether the university institutions have a system of financing? If so, how efficient is it? Who all are the players in this system of management? Who is going to take the responsible if the question of success or failure in financial management of an university?

Here, it may be pertinent to describe some of the aspects of financing universities. Accordingly there are three major sources for financing university institution in India. They are

1. Government (by the way of grants)
2. Students (by the way of fees)
3. Private donors (by the way of endowments)

The universities in India are largely financed by the Central Government and the State Government. The funds are made available to the universities in the form of
grants-in-aid and development assistance from the Central and State Government. The Central Ministries like Agriculture, Industry and Human Resource Development (HRD) etc. directly extends financial assistance to the universities and university level institutions. The University Grants Commission (UGC) which is mainly responsible for maintenance of standards of higher education and co-ordination of university activities so as to enable them to cater to the specialized manpower needs of various sectors of the national economy directly provide funds for development (plan) and maintenance (non-plan) of the Central Universities and Deemed Universities. The UGC also provide partial assistance towards development (plan) programmes of the State Universities. The State Government also provide financial assistance to the State Universities largely from their own resources and partly from the resources through different channels of the Central Government. Thus the Central and State Government have entered into a meaningful partnership in providing financial assistance to universities.

Another very important source of financing universities is the students. Funds are made available to universities in the form of the fees collected from the students. Fees including all kinds of charges collected from the students in the form of tuition fee and other types of fees such as library, laboratory, etc. are the internal sources of revenue generation of the universities. The university also received funds from private donors in the form of endowments and benefactions. In this case the financial position of the donor and the condition he attaches to his donation will influence the working of the institutions but the degree of his influence would depend on the position he hold in the total financing of the institution.

However, almost all the universities in India specially the State Universities are passing through a period of financial crisis, today. The resources available to them are not sufficient to provide better infrastructural facilities, modernisation of teaching facilities and also to meet the changing requirement of higher education. And also if the mechanism
of resource allocation is inefficient the performance and accountability of the university system to the society would be adversely effected.

Generally, there are three major deficiencies in the prevailing approach of funding universities which need to be highlighted. First, there is inadequacy of finance available to universities. Inspite of the substantial contribution which the UGC and the State Government are making towards the funding of higher education and research, the finance of universities are inadequate. It is so because they have not increased their grants proportionately with the rise in enrolment, rate of inflation and increased requirement of modernisation and diversification. Secondly, there are stresses and strain in Centre-State budgetary relations which have come to affect the financing of universities due mainly to disproportionate distribution of fiscal power and responsibilities in respect of development projects. The existing arrangement under which the Centre and State are financing universities have quite often given rise to diverse and delaying practice and procedure between the two level of government so much so that the attention of the government get diverted from ensuring sound financial base for the institutions of higher learning. A significant fact is that the development scheme of a university is financed on matching basis by UGC and the State Government. However the implementation of most of these schemes suffer due to lack of adequate support from the State as most of the State Government are also facing crucial financial problems. Thirdly, the priorities within which the higher education have been given is somewhat distorted. To equalise educational opportunities, too little attention has been paid to enhance the quality and the promotion of excellence in higher education and research. As a result, the quality and relevance of higher education has been steadily deteriorating and mismatch between education and job is also growing. This, has risen the basic question of allocation of public fund. These deficiency creates problems in the smooth functioning of the universities. It gives interference in the development and expansion of the
university institutions. So, to overcome the financial deficiency there is the need to give more attention on different aspects of financial management of universities.

CONCEPT OF FINANCIAL MANAGEMENT:

Financial management is an integral part of the overall management which is specially concerned with obtaining and effectively utilising the funds necessary for efficient operation of institutions/organisations. Its central feature is the formulation of organisational strategies to determine the most effective use of available funds at the disposal of the organisation/institutions and the exploration of the most favourable sources of additional funds which the organisation/institution will need in future. So, the central issue of financial management is the proper use of funds. This process involves rational matching of advantages of potential use against the financial goals which an organisation/institutions set before itself. The use of these funds as profitably as possible involves planning future operation, controlling current performance and future development through financial accounting, cost accounting, budgeting, statistics and other means.

Financial management is a sub-function of total management and its task is to assist in allocation and utilisation of resources as well as evaluation of results. In short, financial management is a necessity which create a healthy atmosphere and a feeling of security in the organisations/institutions. It helps in the independent functioning of the organisation/institutions and is a shield against external criticism as well as undue interference from the Government. Thus, financial management is the back bone for efficient development and growth of the organisation/institutions.

IMPORTANCE OF FINANCIAL MANAGEMENT IN EDUCATIONAL INSTITUTIONS:

The importance of financial management with respect to university institutions are summarised as follows:-
(I) Sound financial planning is necessary for the smooth functioning of the universities. As finance is required in development, modernisation, expansion and administration of day to day working of the universities, a proper financial decision shall be taken by the management for smooth operation in right time. Thus proper functioning of the universities is not possible in the absence of an effective financial management.

(II) Finance section provide co-ordination between other section of the universities such as general administration, examination, confidential, library, academic etc. If proper financial management is lacking, the efficiency of other section will be affected. Therefore proper and effective financial management is highly essential for overall university management.

(III) Financial management tools such as budgeting, financial forecasting and rationing can be used as an effective management tools in universities. It help in forecasting resource requirement, allocation fund, exercising control over funds and financial activities and achieving the institutional objective with optimum result and efficiency.

(IV) Sound financial management play a very important role in the development of the universities. It presents the important facts and figures regarding financial position and the performance of various functions of the universities in a given period to the top authorities of the university for decision making. It makes the higher authority easier to evaluate the progress of the university and to amend suitable principles and policies of the university from time to time.
1.1. CONCEPT OF UNIVERSITY:

A university is a social institution which has to interact with society. The term ‘university’ is derived from the Latin word *universitas* meaning an organised body of individuals (community), or a corporation. It connotes the existence of a corporate body of teachers and scholars, a place where students would be attracted to earn knowledge provided by teachers and of course, the students for whom the former exists. The universities should be permanent bodies and have the freedom to select their teachers to teach those students whom they decide to admit to the different courses of studies and finally awarded degrees to the worthy students at the end of the successful completion of the course of studies.

According to Jawaharlal Nehru (1947) “A university stands for humanism, for tolerance, for reasons, for the adventure of ideas, and for the search of truth. It stands for the forward march of the human race towards even higher objectives. If the universities discharge their duties adequately, then it is well with the nation and the people.” These great words highlight the basic truth that university have a crucial part of play in the life, welfare and strength of a nation. Indeed, universities are essentially a community of students and teachers, where in some way, all learn from one or another or at any rate strive to do so. The principal objective is to deepen man’s understanding of the universe and of himself in body, mind and spirit to disseminate his understanding throughout the society and to apply it to the service of man kind. Thus, universities are the dwelling place of ideas and idealism and expect high standards of conduct and integrity from all their members.

1.2. FUNCTIONS OF A UNIVERSITY:

Today, a university has multi dimensional functions. Some of the important functions of a university are to:

(i) foster a spirit of free enquiry and promote independent and critical thinking;
(ii) be a repository of knowledge, responsible for its transmission through teaching and extra co-curricular activities;

(iii) be a place for the pursuit, generation and application of new knowledge and for the search of truth;

(iv) be a training ground for competent professional, including doctors, engineers, business managers and administrators;

(v) render service to society, anticipating its needs and assisting in the fulfillment of social and economic objectives.

(vi) facilitate the formulation, development and implementation of national policies and programmes; and

(v) promote values and assist in the preservation of culture and traditions.

1.3. DEVELOPMENT OF UNIVERSITIES IN INDIA:

Education imparted at a higher level of abstractions and complicity has an unbroken tradition in India that can be traced back to ancient times when the gurus would impart the principles of Vedas to pupils selected from princely and ruling classes. Gurukuls were expanded to Parishads and the Parishads stabilised in residential schools.

India could feel proud of having been one of the pioneers in higher education. Nalanda University which had its brightest days from 3rd Century to 12th Century AD was one of the biggest universities in early history with over 10,000 scholars drawn from all over the world particularly from China and others from South-East Asian countries. Besides Nalanda, Takshila, Ujjain and Vikramshila were the other ancient Indian Universities. Art, Architecture, Painting, Logic, Grammar, Philosophy, Astronomy, Literature, Buddhism, Hinduism, Arthashastra (Economics & Politics), Law and Medicine were among the subjects taught and each university specialized in a particular field of
study. For example, Takshila specialized in the study of medicine, while Ujjain laid emphasis on astronomy. Nalanda being the biggest centre, handled all branches of knowledge in different discipline.

However, these tradition did not survive for long and modern universities of India owe their origin to British endeavours some hundred years back. Formal beginning of modern University system started in the year 1857 in India with the launching of three Presidency Universities in Bombay, Calcutta and Madras. This was prompted by the significant Charles Wood’s despatch of 1854 to the then Governor General of India. At that time, the aim was to create a cadre of English Knowing Clerical Cadre (EKCC) to serve the colonial rule of British India. Thus, Indian University system with colonial rooting started off, with a limited objective of creating a Clerical Cadre and not to speak of laudable objective of higher education.

India had a chequered growth in higher education since 1857. For almost 25 years no University was established in India. Only in 1882 the fourth University viz. the Punjab University was established at Lahore and in 1887 the fifth University viz the University of Allahabad was established. On the recommendation of Indian University Commission (1902); Indian University Act 1904 envisaged the establishment of teaching Universities. The said Act provided for changes in the organisation and administration of Universities, viz. empowering the Universities to appoint teachers, limiting the size of syndicate, representation of professor on the syndicate, powers to the Government to over-rule the Senate and to fix territorial jurisdiction for the Universities. The said Act create much dissatisfaction amongst the people and was considered a design to officialise the Universities so that they did not become a medium of nationalism. With the said Act, the Government’s control was imposed heavily on the Universities and that is why the Calcutta University Commission (1917-18) described Indian Universities as the “most complete Government Universities in the
world”. The Education Policy in 1913 recommended the creation of teaching and residential Universities for each of the leading provinces. Consequently the Banaras Hindu University (1915), Mysore University (1916), Patna University (1917) and Osmania University (1918) were established. During the period from 1920-29, Aligarh Muslim University (1920), Delhi University (1922), Nagpur University (1922), Andhra University (1926), Agra University (1927) and Annamalai University (1929) were established in quick succession. And during the period from 1937 till independence i.e. 1947, the Kerala University (1937), Utkal University in (1943), Sagar University (1946) and Rajasthan University (1947) were established.

In 1948, the University Education Commission known as Radhakrishnan Commission which was headed by Dr. Radhakrishnan was set up. The Commission suggested a new blue print for Indian higher education. It sought to abolish the affiliating type of Universities and also recommended to establish the University Grant Commission (UGC) as an apex body to regulate and control all Universities in the country. In 1953, an interim UGC was established. The UGC Act (1956) made UGC as a statutory body specifying its role, functions and organizational structure.

The other land-marks by way of Higher Education Commissions which suggested policy changes at different points of time, includes the following : Committee on Model Act - D.S. Kothari (1961), Kothari Commission (1964-66), Committee on Governance of Universities/Colleges - Gazendra-Gadkar (1969), Mathuri Sha Committee on working of Central Universities (1982), National Policy on Education - Challenges of Education and Programme of Action (1986), Gnanam Committee on University Management (1990) and Punnaiah Committee Report (1992-93). Several national level regulatory agencies such as All India Council for Technical Education (AICTE), National Council for Teacher Education (NCTE), Medical Council of India (MCI), Pharmacy Council of India (PCI), Bar Council of India (BCI) were established to co-ordinate and monitor standards
of education in different disciplines. For assessment and accreditation of Universities and Colleges, National Assessment and Accreditation Council (NAAC) was established in 1994. There has been phenomenal progress in the number of Universities and the number of colleges and other higher educational institutions during the post independent period.

Presently, there are approximately 450 universities and 20,000 colleges in India. Of these 21 are Central Universities which include Allahabad University and Manipur Univeristy which were re-incorporated as Central Universities in 2005 and newly established Sikkim University. When India become Independent there were just 18 Universities and 500 colleges. Table 1.1 showed the list of 21 Central Universities including 8 (eight) Central Universities located in North-East India.

The overall growth of higher educational institution in India is reflected in Table 1.2. It is evident from the table that maximum number of University of all types were established after Independence.
TABLE - 1.1.
List of Central Universities in India with the year of establishment

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Universities</th>
<th>Year of Establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Banaras Hindu University</td>
<td>1916</td>
</tr>
<tr>
<td>2.</td>
<td>Aligarh Muslim University, Aligarh</td>
<td>1920</td>
</tr>
<tr>
<td>3.</td>
<td>University of Delhi</td>
<td>1922</td>
</tr>
<tr>
<td>4.</td>
<td>Visva Bharati, Santiniketan</td>
<td>1951</td>
</tr>
<tr>
<td>5.</td>
<td>Jawaharlal Nehru University</td>
<td>1969</td>
</tr>
<tr>
<td>6.</td>
<td>North Eastern Hill University</td>
<td>1973</td>
</tr>
<tr>
<td>7.</td>
<td>University of Hyderabad, Hyderabad</td>
<td>1974</td>
</tr>
<tr>
<td>8.</td>
<td>Indira Gandhi National Open University (IGNOU)</td>
<td>1985</td>
</tr>
<tr>
<td>9.</td>
<td>Pondicherry University</td>
<td>1985</td>
</tr>
<tr>
<td>10.</td>
<td>Jamia Millia Islamia</td>
<td>*1988</td>
</tr>
<tr>
<td>11.</td>
<td>Central Agriculture University, Iroisemba, Imphal</td>
<td>1993</td>
</tr>
<tr>
<td>12.</td>
<td>Assam University, Silchar</td>
<td>1994</td>
</tr>
<tr>
<td>15.</td>
<td>Tezpur University, Tezpur</td>
<td>1994</td>
</tr>
<tr>
<td>17.</td>
<td>Maulana Azad National Urdu University</td>
<td>1998</td>
</tr>
<tr>
<td>18.</td>
<td>Mizoram University</td>
<td>2001</td>
</tr>
<tr>
<td>19.</td>
<td>University of Allahabad, Allahabad*</td>
<td>*2005</td>
</tr>
<tr>
<td>20.</td>
<td>Manipur University, Manipur*</td>
<td>*2005</td>
</tr>
<tr>
<td>21.</td>
<td>Sikkim University</td>
<td>2007</td>
</tr>
</tbody>
</table>

Source: www.uge.ac.in.

*Gave status of Central University.
TABLE - 1.2.
Number of Higher Education Institutions in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Central University</th>
<th>State University</th>
<th>Deemed University</th>
<th>Institution of National Importance*</th>
<th>Private University</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1857-1947</td>
<td>3</td>
<td>18</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>21</td>
</tr>
<tr>
<td>1948-1950</td>
<td>3</td>
<td>24</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>27</td>
</tr>
<tr>
<td>1960-1961</td>
<td>4</td>
<td>41</td>
<td>2</td>
<td>2</td>
<td>---</td>
<td>49</td>
</tr>
<tr>
<td>1970-1971</td>
<td>5</td>
<td>79</td>
<td>9</td>
<td>9</td>
<td>---</td>
<td>102</td>
</tr>
<tr>
<td>1980-1981</td>
<td>7</td>
<td>105</td>
<td>11</td>
<td>9</td>
<td>---</td>
<td>132</td>
</tr>
<tr>
<td>1990-1991</td>
<td>10</td>
<td>137</td>
<td>29</td>
<td>9</td>
<td>---</td>
<td>185</td>
</tr>
<tr>
<td>Upto 2005</td>
<td>20</td>
<td>204</td>
<td>95</td>
<td>18</td>
<td>7</td>
<td>344</td>
</tr>
</tbody>
</table>

* Includes 5 institutions established through State Legislature Act.

Source: UGC Annual Report & Govt. of India, Department of Education year.

1.4. INSTITUTIONAL SUPPORT TO UNIVERSITY EDUCATION SYSTEM IN INDIA:

There are few apex bodies at the Central and the State level which perform different roles and functions for promoting higher education and research in the country. Some of the co-ordinating bodies for University education system are briefly described as under.

1.4.1. Association of Indian Universities (AIU):

The Association of Indian Universities (AIU) was established at the initiative of the Government of India as the Inter-University Board of India and Ceylon (Sri Lanka) in 1925. Today the membership of AIU includes Universities, Deemed Universities and Institutions of National Importance. At present there are 277 (two hundred seventy seven),
AIU members university-level institutions in India (including 60 Deemed Universities). The Universities are represented in the Association by the Vice-Chancellors/Directors, or in their absence, by members of the executive council/Syndicate. Some of the major objectives of AIU are:

i) coordinating the work of the Universities;
ii) establishing equivalence of degree awarded by India and foreign countries;
iii) acting as a bureau of information;
iv) conducting research on various aspects of University development;
v) organising training and orientation programmes for University administrators;
vi) promoting sports and cultural activities among member-Universities;
vi) publishing of relevant literature on higher education and dissemination of information pertaining to University activities; and
viii) representing the Universities in national and international forums.

AIU extends different services to the Universities through its various subdivisions. For instance, the Evaluation Division, apart from equipping itself with specialised documentation and expertise on system/structure of education prevailing in different countries, assists Universities in obtaining recognition for their degrees, diplomas and examination from other Universities in India and abroad. The Student Information Services Division entertains a substantial number of enquiries from students and provides reliable information on the standing of educational institutions and scholarship for study abroad. The Research Division undertake in-depth study on various aspects of higher education. It organises various training programmes and workshops for higher education functionaries. The Sports Division organises Inter University tournaments and special coaching camps at various Universities. The Youth Affairs Division organises Inter-University Youth Festivals both at Zonal and the National levels meets. The Publication Division brings out a series of Handbook which provide varied information
pertaining to higher education programmes in India. The Library and Documentation Division is responsible for the publication of University News a Weekly Chronicle of higher education and research.

1.4.2. **University Grant Commission (UGC):**

The University Grant Commission (UGC) was established in the year 1956 as both a grant giving and also a coordinating body for academic purposes in the Universities. Specifically the major objective of the Commission is to undertake in consultation with the Universities and other bodies concerned, all such steps as it may think appropriate for the promotion and co-ordination of University education and for the determination and maintenance of standards of teaching, examination and research in Universities. The commission also clears/consents the establishment of new Universities in the country and also declares a University fit to receive central assistance for development in terms of University Grant Commission Act of 1956.

UGC has undertaken a number of programmes for the advancement of higher education in the country like Special Assistance Programme (SAP); Committee for Strengthening Infrastructure in Science and Technology (COSIST); College Science Improvement Programme (COSIP); College Humanities and Social Science Improvement Programme (COHSSIP); National Fellowship; National Associateship; Research Associateship; Adult Education; Education for Minorities; Schedule Castes; Schedule Tribes; Handicapped and Women; Examination Reforms etc. Some of the recent programmes are, the INSAT-1B programme on Higher Education and holding of annual competitive examination for Junior Research Fellowship/NET at the national level. The INSAT-1B program on higher education is available on television network throughout the country. These programmes have also been undertaken with ensuring a higher standard of research across the Indian Universities.
In conformity with the National Policy on Education 1986 the UGC launched in 1994-95 a scheme for the vocationalisation of higher education at first degree level. Under this scheme the student may take one vocational course that provides knowledge and skills required for gainful employment.

In 1994, the UGC has established the National Assessment and Accreditation Council (NAAC) at Bangalore with the objectives of grading institutions of higher education and their programmes; stimulating the academic environment and quality of teaching and research in these institutions; helping institutions realise their academic objectives; promoting necessary changes; innovation and reforms in all aspects of the institutions. NAAC has accredited 129 Universities and 2956 colleges as on 2007.

1.4.3. Indian Council of Agricultural Research (ICAR):

The Indian Council of Agricultural Research (ICAR) which is almost half a century old is the Central Coordinating agency on agricultural education in research and extension education. Like UGC, it provides assistance to the Agricultural Universities for their development activities. It also finances research and extended educational projects of the Universities through a network of All India Co-ordinating Research Projects and other adhoc Research Projects under the Cess Fund Aid Scheme. The council has formulated a 'Model Act' (1987) for the governance of Agricultural Universities of the country.

1.4.4. Council of Scientific and Industrial Research (CSIR):

The Council of Scientific and Industrial Research (CSIR) established in the year 1942 is a premier organisation for promotion of scientific and industrial research in the country. The Council provide funds for scientific research, which are being carried out in various universities. At present, the council has 43 national laboratories/institute which
specialised in different areas of scientific and industrial research all over the country. In addition to industrial research associations, there are 138 extension centres/field stations of CSIR are operating in the country.

1.4.5. **Indian Council of Social Science Research (ICSSR):**

Indian Council of Social Science Research (ICSSR) constituted in 1969 is entrusted with the responsibility of the development of the social science disciplines and research therein. It operates through seven regional centres in addition to the main office at Delhi. It finances and promotes research in social science in all possible ways. It gives fellowship and study grants and also support number of institutions. Thus, the ICSSR is the frontline organisation in the field of social science research and the development of science studies and research in the country.

1.4.6. **Central Advisory Board of Education (CABE):**

At the policy making level, the Central Advisory Board of Education (CABE) has been functioning for almost half a century. The Constitution of the Board comprises a cross-station of specialists in different disciplines and representatives of national bodies, who participate in the Board’s meeting to deliberate upon various policy issues pertaining to educational development. The meeting is presided over by the Union Minister of Human Resource Development. On an average, the Board meet once in a year.

1.4.7. **All India Council of Technical Education:**

The All India Council for Technical Education (AICTE) was established in 1987 for ensuring proper planning and coordinated development of the technical education (which includes engineering, management and pharmaceutical education) and for the regulation and proper maintenance of norms and standards. For the latter purpose the Council has constituted a National Board of Accreditation which is empowered to periodically conduct evaluation of technical institution or programmes and make a
recommendation regarding their recognition or de-recognition. The council also provides funds to academic institutions for the development.

1.5. TYPES OF UNIVERSITY:

The character of a University depends upon a number of factors including tradition, social milieu and its mission or purpose. The University Institutions in India are of following types:

1) **Unitary University**:

The Unitary Universities are confined to a single campus and have provision for both postgraduate and undergraduate instruction and also have a strong emphasis on research. Typical examples of unitary universities are Aligarh Muslim University (Aligarh), Banaras Hindu University (Varanasi), Jawaharlal Nehru University (New Delhi) and Tezpur University (Assam).

2) **Affiliating Universities**:

Affiliating type of Universities generally have a Central campus for Post-Graduate studies and research with a number of affiliated colleges spread over the areas in accordance with the jurisdiction of the University. The colleges mostly do undergraduate classes in selected subjects. Most of the Indian Universities are of this type. Example are Calcutta University (Kolkata), Bombay University (Mumbai), Gauhati University (Assam), Manipur University (Manipur) etc.

3) **Agricultural Universities**:

Agricultural Universities are the universities that concentrate on agricultural studies, including forestry, horticulture and veterinary science. The utilitarian approach is exemplified by a strong emphasis on extension services. There are presently 40 Agricultural Universities in India. The Assam Agricultural University, (Jorhat) and Central Agricultural University, (Imphal) are of this type.
4) **Professional Universities:**

Professional Universities are the universities that provides for higher education in one of the professional areas like engineering and medicine and health services. This is a new trend that seeks to separate education in the professional subjects from the mainstream of higher education. Examples are the Universities for Science and Technology, for law, and for medicine and health services, established in some states of India.

5) **The Deem Universities:**

Deemed Universities are the institutions that conferred the status of a University by virtue of their long tradition of teaching, or specialisation and excellence in a particular area of knowledge. As of today there are 52 such institutions in India. Typical examples are Deccan Colledge Post-Graduate and Research Institute, (Pune), Birla Institute of Technology and Science, (Pilani), Tata Institute of Social Science (Mumbai) etc. The Deemed-to-be University status is granted by the UGC with the approval of the Department of Education, Ministry of Human Resource Development, India.

6) **Institute of National Importance:**

The Institute of National Importance are established or so designated through special Act of Parliament. There are 11 such institutions including six Indian Institute of Technology. As a special case, they are empowered to award their own degree, prevailing normally granted only to Universities.

7) **The Open University:**

The Open University is the institutions that provides education through the distance mode, to those denied access; and promotes the concept of lifelong education for all. The Indira Gandhi National Open University (IGNOU) is an example of this type.
1.6. **FUNDING OF UNIVERSITIES IN INDIA**:

The University institutions in India come into official being by an Act of either the Central or State Government. They are established with the prior concurrence of the Central Government which accords the same on the advice of the University Grants Commission (UGC) and the Indian Council of Agricultural Research (ICAR), for Agricultural Universities. Thus, all the institutions have to begin after an official sanction, public definition and sober character.

The University institutions established through an enactment of parliament are classified as Central University which are mainly funded both for maintenance and development by the UGC. The institutions recognised as Deemed Universities are recognised by the Government of India on the recommendation of UGC in terms of its Act of 1956. The main sources of their funding both for maintenance and development is again the UGC. The institutions of National Importance, Created by an Act of Parliament are mainly funded by the Central Government through its Ministries. The State Multi-faculty Universities, Technical Universities and Agricultural Universities are creation of an Act of the State-Legislation and the main source of their funding is the State Government. The UGC and ICAR also provide funds for the development and conduct of specific research to these Universities.

1.7. **GOVERNANCE OF UNIVERSITIES IN INDIA**:

The governance of University institutions in India varies depending on the type of University, the period for which it has been in existence and whether it has been under the control of the Central Government or State Government. One thing, however, is common to all the Universities is that they have all been established by an enactment of the legislature, Central or State and they are all intended to function as an autonomous institutions. They are governed through their Acts, Statutes, Ordinance and Regulations. The Acts of the Universities have the legal identity and statues of the University have the
official sanction of the Government. The executive authority of the University is vested with powers for effecting additional and repealing existing statues with the consent of the Chancellor/Visitor of the University. The Ordinances and Regulations of the Universities can be framed, approved and amended or repealed by the principal executive authority of the University institutions. Normally, the Governors are Chancellors of the University institutions in the concerned states. However in some Universities, the Chief Minister of the state is the Chancellor of the University. The Chancellor or Visitor is the Head of the University and is vested with the power to appoint the Vice-Chancellor, the Pro-Vice-Chancellor and in some Universities, he also appoints the Registrar and the Treasurer/Finance Officer. The Vice-Chancellor is the principal executive and academic officer of the University responsible for the effective and efficient management of the affairs of the University. As such, he has a crucial role to play in the successful functioning of the Universities. He has to be an effective leader, motivatory and coordinator of the different categories of functionaries in the University system - the teachers, the administrators and the students. The image of the University is largely made and unmade by his words and deeds.

The Act of the Universities provides for a number of authorities meant to deal with and to promote and regulate teaching, research, extra curricular and extension, examination matters and other activities. Prominent among them, in order of hierarchy as listed in the Act of various Universities are Senate/Court, Executive Council/Syndicate, the Academic Council, Faculties and Boards of Studies, Finance Committee and Planning and Evaluation Board.

**Senate Court:**

It is the highest authority of the University. It is an apex authority dealing with virtually all matters connected with the University. It is concerned with the review of policies and programmes of the Universities from time to time and suggest measures for the
improvement and development of the University. It also consider and pass resolution on the annual reports and the annual accounts of the University and the audit reports on such accounts. The Senate also approve with or without modification, the statutes submitted by the Executive Council/Syndicate.

**Syndicate/Executive Council:**

The Syndicate/Executive Council is the principal organ of management in the University. It is the highest decision making body of the University represented by the different segments of the University such as the various faculties, colleges and teachers in general as well as the government and the public. The Syndicate should take policy decision in consultation with teachers and whenever necessary with non-teaching employees. But in routine matters, powers should be delegated to different officers, with clear rules provided to take appropriate decisions and to be responsible for the same. This would make the agenda of Syndicate meeting more meaningful and not burdened with items of limited consequence. It have fixed calendar of meeting. No meeting should be convened at short notice and it should work as a business-like body in the every sense of the term. Thus, the effective functioning of the Syndicate largely decides the efficient functioning of the University.

**Academic Council:**

The Academic Council is the principal academic organ of the University and is expected to coordinate and exercise general supervision over the academic policies of the University. It should provide leadership with regard to raising of the standards and quality of teaching and research and strengthening their linkage with regional and national development. For this purpose, the council may prescribe methods of instruction and evaluation and other academic norms. The academic council should be responsible for bringing about inter-departmental and inter-faculty coordination in both teaching and researcher. The composition of the council should ensure that all faculties are adequately represented on it through the Deans, Heads of Departments, Professors, Readers and
Lecturers and Principals as well as other college teachers. Some student representative of post-graduate and research course also should be member of the council. However, no faculty or group dominates the council.

**Faculties and Board of Studies:**

The constitution of faculties and boards of studies should also reflect the same principles and consideration as in the case of the academic council. However it is not be desirable to have direct participation of students in the faculties and board of studies as these authorities would be discussing not only specific course contents but also the appointment of examiners for various examinations. But it is desirable to establish a mechanism for consultation with them in regard to general improvement of courses, laboratories, teaching methods, field work, project work etc. and also to elicit their views on extension work and coordination between departments in respect of teaching and research. For this purpose, it is advisable to have a Faculty Advisory or Consultative Committee consisting of representatives of all departments including senior students, presided over by the dean of the faculty.

**Finance Committee:**

The Finance Committee should consist of experts who can contribute to the efficient management of the finances of the University. It should not have more than seven members. It should ensure that finances of the University are managed to produce the best results and also be able to find ways and means of raising funds for the University as and when the need arises. Our Universities, as a whole, are now facing financial crisis due to the financial crunch in the Central and State government and the consequent cuts imposed on the annual grants by the UGC, the State government and other state funding agencies. To tide over this situation and mobilise sufficient resources for the Universities is a formidable task. Universities in India should face this challenge in an imaginative and realistic manner by augmenting their internal resources by restructuring
and rationalizing the present fee structure and mobilizing external resources through consultancy, alumni participation, creation of endowment and such other schemes. In all these, the Finance Committee has a key role and therefore, the committee should have among its members not only financial experts but persons of influence in the financial and industrial world whose assistance would be invaluable in helping the University to raise funds from external sources.

Planning and Evaluation Board:

Planning being a very important function from the developmental point of view, every University should have a planning and Evaluation Board. The planning board should consist of managerial and educational experts. The board is responsible for formulating the short-term and long-term plans of the University and should also be responsible for monitoring the development of the University in terms of the objectives of the University. The planning board also have the rights to advise the syndicate and the academic council on any matter, academic or administrative, which it considers necessary for the fulfillment of the objectives of the University.

Besides the above authorities, there are number of statutory bodies or committees to deal with specific functions. The authorities of the Universities as well as the Vice-Chancellor are also empowered by various provisions of the Act and Status to form specific purpose committees from time to time. Thus, the functioning of the Universities are in accordance with the provisions of the Act, Status, Ordinances and Rules and Regulation of the concerned Universities.

1.8. GROWTH OF UNIVERSITIES IN NORTH-EASTERN INDIA:

The North-Eastern region of India includes the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.
The first University in the region i.e. Gauhati University came into being in the year 1948 under an Act of the Government of Assam. All the Colleges in the region excepting for the colleges in Tripura came under jurisdiction of Gauhati University. Dibrugarh University, the second University in Assam was established in the year 1965. The Assam Agricultural University which was the first Agricultural University in the region was established in 1969 under Assam Agricultural University Act 1968. The objective of establishing the University are making provision of imparting education to the people in agriculture and other allied branches of learning; furthering the advancement of learning and prosecution of research in agriculture and other allied science and undertaking the extension of such science specially to the rural people of the state. After this, the first Central University in the North-Eastern region named as the North-Eastern Hill University (NEHU) was established in 1973 with its headquarter at Shillong, aiming to pay special attention to the improvement of the economic and social conditions and welfare of the people of the hill area of this region. In the year 1980, the Manipur University was set up as State University at Imphal (Now converted into central University since 2005). The Arunachal University (Presently called Rajiv Gandhi University, RGU) was set up in 1985 under the Arunachal University Act 1984 passed by the State Legislature. Tripura University was also established in 1987 under an Act of Tripura Government. The Central Agricultural University was established in 1993 with its headquarters at Imphal in Manipur. The jurisdiction of the University extends to six North-Eastern Hill States viz. Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim and Tripura. In the year 1994 another three Central Universities were set up in this region. They were Assam University at Silchar, Tezpur University at Tezpur (Assam) and the Nagaland University at Nagaland. The Mizoram University which is also a Central University was established in 2001 under an Act of Parliament. Recently, the Sikkim University was established in 2007 as a Central University.

At present there are 13 (thirteen) Universities (excluding IIT, Guwahati) in the North-Eastern region. Out of these, 5 (five) are State Universities and another 8 (eight) are Central Universities. Among the six State Universities Assam has three including the
Agricultural University and Arunachal Pradesh, Manipur and Tripura has one each. And, among the seven Central Universities Assam and Manipur as two each and Meghalaya, Mizoram, Nagaland and Sikkim has one each respectively.

<table>
<thead>
<tr>
<th>Period</th>
<th>Central University</th>
<th>State University</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948-1957</td>
<td>Nil</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1958-1967</td>
<td>Nil</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1968-1977</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1978-1987</td>
<td>Nil</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>1988-1994</td>
<td>4</td>
<td>Nil</td>
<td>4</td>
</tr>
<tr>
<td>1994-2004</td>
<td>1</td>
<td>Nil</td>
<td>1</td>
</tr>
<tr>
<td>2004-2009</td>
<td>2</td>
<td>(-1)*</td>
<td>1</td>
</tr>
<tr>
<td>Grand Total</td>
<td>8</td>
<td>5</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Compiled from Annual Reports of Universities.
*Manipur University was converted into Central University in 2005. So No. of State University reduce by 1.

Since, these twelve Universities were started at different points of time, their levels of development are not uniform. In terms of numbers of Post-graduate department, Gauhati University which is the oldest and the biggest university in this region. Next comes to NEHU which is a Central University located at Shillong. The comparative positions of the twelve Universities in respect of number of Post-graduate departments, number of affiliated colleges are given in the Table 1.4.
### TABLE - 1.4

Sizes of Universities in North-East India

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of University</th>
<th>Year of establishment</th>
<th>No. of affiliated colleges</th>
<th>No. of Post-graduate departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gauhati University</td>
<td>1948</td>
<td>195</td>
<td>37</td>
</tr>
<tr>
<td>2.</td>
<td>Dibrugarh University</td>
<td>1965</td>
<td>140</td>
<td>17</td>
</tr>
<tr>
<td>3.</td>
<td>Assam Agricultural University</td>
<td>1969</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>4.</td>
<td>North-Eastern Hill University (NEHU)</td>
<td>1973</td>
<td>54</td>
<td>28</td>
</tr>
<tr>
<td>5.</td>
<td>Manipur University</td>
<td>1980</td>
<td>73</td>
<td>23</td>
</tr>
<tr>
<td>6.</td>
<td>Arunachal University</td>
<td>1985</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>7.</td>
<td>Tripura University</td>
<td>1987</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>8.</td>
<td>Central Agricultural University</td>
<td>1993</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>9.</td>
<td>Assam University</td>
<td>1994</td>
<td>50</td>
<td>27</td>
</tr>
<tr>
<td>10.</td>
<td>Tezpur University</td>
<td>1994</td>
<td>Nil</td>
<td>16</td>
</tr>
<tr>
<td>11.</td>
<td>Nagaland University</td>
<td>1994</td>
<td>42</td>
<td>25</td>
</tr>
<tr>
<td>12.</td>
<td>Mizoram University</td>
<td>2001</td>
<td>29</td>
<td>16</td>
</tr>
<tr>
<td>13.</td>
<td>Sikkim University</td>
<td>2007</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

2. Annual Reports of the University

From the Table-1.4, it is found that the growth and expansion of higher education facilities have not been even similar/equal among the different states of the region because of historical and geographical reasons. When Gauhati University was established in 1948, Meghalaya, Mizoram and Nagaland were parts of Assam. Besides
these areas, Manipur and North East Frontier Agency (NEFA) were also included in the academic jurisdiction of this University. At that time, Tripura was within the fold of Calcutta University. In 1960, Nagaland was ceded from Assam and given statehood. Again, in 1972, under the North-Eastern Reorganization Act of 1971, Meghalaya was separated from Assam and given full statehood, Mizoram was also taken out of Assam and made a Union Territory of 1972. NEFA became a Union Territory under the name of Arunachal Pradesh. Manipur and Tripura which were Union Territories were elevated to the status of states. The North-Eastern Hill University (NEHU) was established in 1973 as a Central University with its headquarters at Shillong having three campuses at Shillong in Meghalaya, at Kohima in Nagaland and at Aizawl in Mizoram for meeting the demands of Meghalaya, Mizoram, Nagaland and Arunachal Pradesh to have their own separate Universities. Though Arunachal Pradesh had the option to join it, it preferred to remain outside its fold. Manipur and Tripura also, on attaining the statehood were keen to have separate Universities in their respective states depending on Central assistance. Therefore, Universities in these states, if established would have to depend partly on Central resources coming through the UGC. At that time, i.e. in the early seventies the UGC did not consider it proper to have Universities in these two states. On its suggestion, the Jawaharlal Nehru University set up a campus for Post-Graduate teaching and research centre at Imphal, Manipur in 1972. Similarly, Calcutta University open a Post-Graduate Centre at Agartala, Tripura in 1976. Subsequently Manipur established its own University with the JNU’s campus as its nucleus in 1980. But Tripura had to wait till 1987 to make the UGC agree to let it have a University. Tripura University was formally inaugurated on 22nd November 1987 on which date the Calcutta University Post-Graduate Centre at Agartala merged to Tripura University.

The Indian Council of Agricultural Research (ICAR) in 1982 constituted a Research Review Committee under the Chairmanship of Dr. R.N. Singh under National
Agricultural Research Project (NARP) to prepare a report on the need for strengthening regional research capabilities of North-Eastern Hill Region based on agro-climatic situations prevailing in the area. The committee was also given an additional mandate by the Council to look into man-power requirement for agriculture and allied sector and to suggest remedial measures. The Committee submitted its report in April, 1984. The committee observed that the agriculture in the region lagged behind as compared to other regions of the country because of non-existence of support of Agricultural University which is available in other states and recommended that since it is not practicable to establish separate Agriculture University in each state due to smaller size, the Central Government may establish a Central Agricultural University (CAU) to fulfill this gap. Thus the Central Agricultural University comes into existence in 1993 with its headquarter at Imphal, Manipur. The six North-Eastern Hill States namely Arunachal Pradesh, Manipur, Meghalya, Mizoram, Sikkim and Tripura are falling under its jurisdiction. Later, three Central Universities viz. Assam University, Tezpur University and Nagaland University were established in the year 1994. In the year 2001, Mizoram have its own University. Recently in the year 2005 Manipur University was converted into Central University. And very recently Sikkim University was establish in the year 2007 as a Central University.

Establishment of Universities in all the eight states has helped in expansion of higher education facilities in these states. The number of affiliated Colleges and Post-Graduate departments are increasing day by day, the total enrolments in Colleges and Universities are also increasing. Thus, the development of Universities in this region play a key role in the development of higher education and also in the economic development of the region. The location of the Universities in this region is shown below.
LOCATION OF UNIVERSITIES IN NORTH-EAST

INDEX

▲ Central Universities
● State Universities

1. Gauhati University, Guwahati
2. Dibrugarh University, Dibrugarh
3. Assam Agricultural University, Jorhat
4. North Eastern Hill University, Shillong
5. Manipur University, Imphal
6. Rajiv Gandhi University, Itanagar
7. Tripura University, Agartala
8. Sikkim University, Sikkim
9. Central Agricultural University, Imphal
10. Assam University, Silchar
11. Tezpur University, Tezpur
12. Nagaland University, Kohima
13. Mizoram University, Aizawl
1.9. PROFILE OF THE SELECTED UNIVERSITIES:

Out of the 13 Universities of the region, five University comprise of two Central University and three State Universities have been selected for the present study.

1.9.1. North Hill University (NEHU), Shillong - A Profile:

North-Eastern Hill University (NEHU) is the first Central University in North-Eastern Region of India. It was established in 1973 by an Act of Parliament. The objective of establishing this University is to disseminate and advance knowledge by providing instructional and research facilities in various branches of learning and paying special attention towards the improvement of the social and economic conditions and welfare of the people of hill areas of the North-Eastern region in particular and their intellectual, academic and cultural advancement in general.

The jurisdiction of the University extended originally to the state of Meghalaya, Nagaland and the erstwhile Union Territories of Arunachal Pradesh and Mirozam. With the establishment of Nagaland University in 1994 the jurisdiction of NEHU over Nagaland was ceased. And with the establishment of Mizoram University in June 2001 the jurisdiction of NEHU over Mizoram also ceased. Arunachal Pradesh, meanwhile, has its own University. However, the North-Eastern Regional Institute of Science and Technology (NERIST) located in Arunachal Pradesh is affiliated still under NEHU.

In spite of serious constraints of communication and the general lack of infrastructure facilities in the region, NEHU has established itself as an institution of higher learning and research of very high quality. It has now bloomed into a full grown institution of higher learning in term of its size and range of academic activities. It has been able to attract persons of proven academic excellence from almost all parts of the country to serve on its faculty and its student community is drawn not only from different parts of the North-East but also from other regions of the country.
In February 1996, the University set up a campus at Tura with the departments of English, Garo and Education. Very recently the Department of Rural Development and Agricultural Production has been added to the existing campus. At present, NEHU has 24 (twenty four) academic department and 4 (four) centres of study under 6 (six) schools. 7 (seven) departments of the University has now received special grant from the UGC under its Special Assistance Programme (SAP) and 3 (three) of the Science departments also receive grants under the UGC's Committee for Strengthening Infrastructure in Science and Technology (COSIST) Programme. The Department of Science and Technology (DST) has extended financial help to four (4) of the Science department as part of its scheme for funding infrastructure development in higher academic institutions. In Addition, a huge number of research projects have been awarded to individual members of faculty notably by the CSIR, DST, UGC, Department of Biotechnology (DBT), etc.

By 2004-05, there were 54 (fifty four) undergraduate colleges affiliated to the University including 8 (eight) professional colleges. The number of students studying for their Master degree and research students working for their Ph.D. and M.Phil Degrees is about 1700 and number of students enrolled in undergraduate is about 19,500. The faculty strength of the University is over 300.

Hence, in a short span of about 35 years North-Eastern Hill University (NEHU) has matured into an institution with a serious academic, social and cultural agenda and a clear vision for its future growth.

1.9.2. Tezpur University Tezpur:

Tezpur University was set up in the year 1994 as a non-affiliating unitary type Central University. The University campus is located at Nappam, about 15 km. away from the town of Tezpur. At the beginning, the University campus had an area of 200 acres of land allotted by the Government of Assam. Later on the State Government has
allotted another 42 acres of land, hence the area of University campus has gone upto 242 acres. Tezpur is linked by road, railways and airways with the rest of the state and the country. The jurisdiction of the University extends to the whole of the State of Assam.

Within a short span of 14 years, the University has emerged as a premier institution of higher education in the country. In spite of the obvious disadvantages caused by remoteness of the campus from the hub of activities of urban life, the University has reached to take off stage with the rapid development of the infrastructure. Since its inception, the University has able to create and sustain an academic environment for advance studies in diverse areas such as Science and Technology, Environment and Natural Resources, Humanities, Social Science and Management Sciences. Apart from fulfilling the traditional role of University, that is, to create and disseminate new knowledge in various field, Tezpur University has been striving to keep pace with the development that are taking place in a rapidly changing world. To this end the University has been offering employment oriented and interdisciplinary courses of study mostly at the postgraduate level to meet the local, regional and national aspirations. The University has been trying to promote study and research in the emerging areas in Science and Technology, Humanities, Management Sciences and Social Sciences.

At the time of its establishment there were only three teaching departments i.e. Mathematical Science, Computer Science and Department of English and Foreign Language. At present, the University has 16 teaching departments. The University since its inception has duly emphasised on research work with a dual objective of developing University - industry linkage and contributing towards new knowledge of different areas of study. Almost all the departments have received research projects from different funding agencies such as Oil and Natural Gas Company Ltd. (ONGCL), UGC, DST, Govt of India, AICTE, Indian Space Research Organization, ICSSR, CSIR etc.
Thus, with in a vary short span, the Tezpur University is developing steadily as premier institution of higher education with the construction of academic buildings, hostels residential houses, administratives buildings, road etc. and with its meticulously prepared academic calendar that ensure smooth conduct of curricular and co-curricular activities without any wastage of working hour.

1.9.3. Gauhati University, Guwahati:

Gauhati University is the oldest University established in North-East India. It was established in year 1948 under the Gauhati University Act 1947 as a teaching, residential and affiliating University. At the beginning the territorial jurisdiction of the University extend to the entire North-East region except Tripura. But with the establishment of Dibrugarh University, the NEHU, the Manipur University, Arunachal University, Nagaland University and Assam University at Silchar, the original territorial jurisdiction of the University was reduced only to the districts of Dhubri, Goalpara, Bongaigaon, Kokrajhar, Barpeta, Nalbari, Kamrup, Darrang, Sonitpur, Nagaon and Morigaon.

Gauhati University is affiliated to the Association of Indian Universities which has affiliation to the Association of Commonwealth University. The University campus has been named Gopinath Bordoloi Nagar which has developed into a small township covering an area of 250 hectares. It is located within the Gauhati city area at a distance of 15 km from the city heart. The University campus has developed with all necessary civic amenities such as health service, water supply, electricity, guest house, post and telegraph office, bank, market, parks, play ground, auditorium etc.

The Gauhati University in its early years prescribed courses and curricula for the Matriculation and the Intermediate/Pre-University Examination and conduct both these Examinations. But with the adoption of the Assam Secondary Education Act 1961 and the Assam Higher Secondary Education Act 1984 by the State Assembly, the
University was relieved of these responsibilities. The University is now imparting higher education in various branches of learning in the faculties of Arts, Science, Commerce, Law, Engineering, Medicine and Teachers Training. At present the University have 37 Post-Graduate departments and a satellite campus at Kokrajhar. All the teaching departments of the University are carrying on research work in their respective field. It offers M.Phil. course in Assamese, Bengali, English, Mathematics, Geography, Botany, Environmental Science, Political Science and Philosophy. The University have 195 affiliated colleges and 13 recognised institutions.

Inspite of acute financial contraints which have come in the way of its proper growth and expansion of academic and other development activities, the University is playing a great role in the development of higher education in this region since its inception.

1.9.4. Dibrugarh University:

Dibrugarh University was established in 1965 under the provision of the Dibrugarh University Act, 1965. It is the second University established in the region. The University is a teaching residential and affiliating University situated at Dibrugarh, the premier town of the eastern part of Brahmaputra Valley of Assam. It is about three Kilometer far from Dibrugarh town. The National Highway No. 37 runs right across the University Campus. The University Campus has a land area of more than 500 acres.

The territorial jurisdiction of the University spans over seven (7) districts of Upper Assam viz. Dibrugarh, Dhemajit, Golaghat, Jorhat, Lakhimpur, Sivasagar and Tinsukia. The rich concentration of industries and the polychromatic ethnic mosaic of this region constitute a veritable paradise for exploration, study and research. The University is expected to provide facilities not only for transmission of knowledge in the conventional way but also for maintaining a continuous process of positive interaction among all concerned.
The University started functioning with only seven Post-Graduate departments in Arts and Science and with less than 100 students in 1966. However, the University is now engaged in imparting higher education in various branches of learning in the faculty of Arts, Commerce, Science and Technology and Teachers Training within and outside the University Campus, besides Engineering, Law and Medicine in the affiliated colleges. At present the University has 17 (seventeen) teaching department with a total enrolment of 1388 students. The teaching departments are Assamese, English, Economics, Education, History, Political Science and Sociology in Arts; Applied Geology, Anthropology, Chemistry, Life Science, Mathematics, Physics, Statistics, Petroleum Technology and Pharmaceutical Science in Science and Technology and Commerce. All the teaching departments of the University are carrying research in their respective fields in addition to their function of teaching and training. There are Research Councils in Arts, Science and Medical Sciences. The Council in Science is for General Science, Engineering and Technology and the Council in Medical Sciences is for different branches of Medical Sciences.

The University also introduced the M.Phil course of one year duration to cater to the needs of college teachers as well as for the all round development of college education from the year 1983. Initially the course was offered in Assamese, Mathematics and Physics. Subsequently, it has introduced in English and Political Science from 1986 and thereafter in Sociology, Chemistry, Statistics and Commerce.

Recently, the University has established a Centre for Management Studies to conduct courses on Management. The Centre now conducted the Master of Business Administration (MBA) Course since 2003 session. The University has a strength of 168 (One Hundred Sixty Eight) teaching and 655 (Six Hundred Fifty Five) non-teaching staff.

When the University was started in 1965, it inherited only 16 colleges which include 4 (Four) Professional Degree Colleges from the Gauhati University. Consequent to the
establishment of the Assam Agricultural University at Jorhat, the jurisdiction of the University over the Assam Agricultural College was curtailed.

Presently, there are 140 (One Hundred Forty) Degree Colleges including the Professional Colleges affiliated to this University. Out of these Colleges, 115 (One Hundred Fifteen) are general undergraduate colleges of which 10 (Ten) are three faculty colleges, 45 (Forty Five) are two faculty colleges and the rest 60 (Sixty) colleges having single faculty either in Arts, Science or Commerce. In addition, there are 1 (One) Medical College, 1 (One) Homeopathic Medicine College and 1 (One) Sattriya Sangeet Mahavidyalaya.

In a span of about 43 years, this University has not been able to attain the desired growth in respect of physical structure due to a variety of constraints. However, the University is playing an important role in the development of higher education system in this region by imparting higher education in various branches of learning since its inception.

1.9.5. Manipur University, Canchipur - A Profile

Manipur University was established on June 5, 1980 under the Manipur University Act, 1980, as a teaching cum-affiliating University at Imphal with territorial jurisdiction over the whole of the state of Manipur. The University is located at Canchipur about 8 km from the Imphal city on the western side of the Indo-Burma Road (NH No. 39). The University campus is spread over an area of about 287 acres. The objective of the University is to disseminate and advance knowledge, wisdom and understanding by teaching and research.

The nucleus of the Manipur University was the erstwhile Jawaharlal Nehru University’s Centre of Post-Graduate Studies at Imphal. Though it was established very late in the year 1980, the progress and development in every sphere has been very fast. At the time of its establishment, there were only 10 (ten) departments viz., Chemistry, Economics, English, Hindi, History, Life Science, Manipuri, Mathematics, Physics and
Political Science. These departments were taken over from J.N.U. Centre of Post-Graduate Study when it was observed in Manipur University. In the first batch of the M.A./M.Sc. Programme (1981-82), 435 students were enrolled. The total strength of the faculty members at that time was only 70 including three lady teachers. Only 11 (eleven) research scholars were registered for Ph.D. Programme during 1981-82 in different departments.

With the opening of 4 (four) more departments viz. Anthropology, Statistics, Earth Science and Commerce in 1984, the total number of department have increased to 14 (fourteen). Since then the University also started teaching programme in the following diploma courses - Banking, Business Management, Educational Administration, Labour laws, Spoken English, Biological Techniques, Computer Programming, Electronics, Library Science, Fisheries, Diploma in certain foreign language etc. Later on, the University started Post-graduate departments of Bio-Chemistry, Computer Science, Education & Philosophy in 1988 and created two new departments of Geography and Linguistics by bifurcating the existing departments of Earth Sciences and Manipuri. The Library and Information Science department was created subsequently.

From the middle of 1988, the Centre for Manipuri Studies started functioning as a Centre for the study of Manipuri Language, Literature and Culture. In the following year (1989), the Centre for Tribal Studies was established on the recommendation of the visiting team of the UGC with the objective of promoting study and research in history, culture, language and literature of the North-Eastern India, specially of the tribals. Though Manipuri Studies and Tribal Studies have centralised facilities, they were functioning independently in academic matters.

The Audio-visual Research Centre (AVRC) was also established within the University campus in 1989 and Manipur University is perhaps the only University in the North-East having this facility. Since its establishment, the AVRC has produced a good
number of films on arts, culture, tradition, environment, flora and fauna and other topics of academic interest in the state. Manipur Institute of Management Studies (MIMS), sponsored by the Central Government within the University campus was also a new addition to Manipur University.

By 2004, there were 4 (four) schools of studies with full-fledged Post-Graduate Teaching Departments under the Manipur University. The University has 123 faculty members in 23 departments (School of Humanities - 21, School of Social Sciences - 33, School of Science - 69). The School of Medical Sciences has 255 faculty members in 30 departments with Post-Graduate Courses in 21 subjects. Altogether 976 students were admitted in the 23 Post-graduate departments of the University during 2004 including Research Scholars but excluding final year students. About 19,662 students were enrolled in 73 affiliated colleges. The University has awarded Ph.D. degrees to 93 students during 2004. The University library has a collection of 120,000 books and is subscribing to 280 journals including 43 foreign journals and a number of National and Local newspaper. The library has also collections of maps, reading materials in CD-ROM and Diskettes.

Though the University has developed considerably in the last 25 years, the growth and development are not at the desired pace. On November 20, 2004, the Honorable Prime Minister Dr. Manmohon Singh while delivering the 9th Convocation Address of the University announced that the Manipur University would be upgraded to the status of a Central University. With the promulgation of Manipur University Ordinance on 13th October 2005 by the President of India and subsequent passing of Manipur University Act by both the Houses of Parliament, Manipur University has become a full fledged Central University.

In a short span of twenty five years, Manipur University has emerged as one of the premier institutions of higher education and research in the North East India. In order to
provide better access to wider sections of the society, the University has introduced various innovative courses such as Journalism and Mass Communication, Myanmarese Studies, Manipuri Dance, and Area Studies in the recent past. Some more disciplines catering to the need of the changing global scenario such as Biotechnology, Nano-Science, Physical Education, Environmental Science and Tourism Studies are also in offing. Of late, several new building, to meet the academic and infrastructural requirements of the University fraternity have been constructed. It is also planning to open a new campus in one of the hill districts of the state to facilitate the reach of higher education to the unreached in near future.

1.10. REVIEW OF LITERATURE:

The review of literature for the concerned study is essential to every research to produce accurate and sufficient information related to the area of study. In fact the reference of the early studies is of tremendous help and positive sources of an invaluable output. In other words, referring to the studies done previous is the basic foundation upon which development of facts can be made possible. Many studies on the university finance have been carried out by researcher in respect of individual universities which are restrictive in nature and do not give a comprehensive picture. Some studies regarding financial aspects of universities are quoted in subsequent lines.

The committee on Model Act (1961)\(^1\) for the organisational structure of the Universities in India and the committee on ‘Governance of the Universities and Colleges (1971)\(^2\) in their reports have examined the question of governance of universities with special reference to the organisational set up, categories and classification of officers, composition, functions and powers of various statutory bodies of the university. They have also suggested statutory provisions for the audit of university accounts, of administrative and financial procedures. Mathew, E.T. (1974)\(^3\) analyse the composition pattern and

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objective of expenditure on the one hand and to identify and evaluate the sources of finance on the other. The study also pay attention on have far the level and pattern on financing have promoted the academic objective of the university. Jha, D. (1974)\(^4\) in his study “A Study of the Finance of the Patna University” analysed financial condition of the concerned University. Nigam M.S. (1975)\(^5\) made a study on finance of Rajasthan University. His study examined the income, expenditure and financial procedure of the Rajasthan University. Mukherji, K.A. (1975)\(^6\) in his work on financial crisis of the Calcutta University highlighted the financial problems face by the University. His study attempted to throw light on the pattern of income and expenditure of Calcutta University and also suggested measure to cope the financial crisis of the University. Lakdawala and Shah (1975)\(^7\) in their study “Financial of University in Gujarat” examined university expenditure in Gujarat on revenue account of hostel. The study had shown that the universities provided hostel service at considerable subsidies rate. Azad, J.L (1976)\(^8\) who worked is aimed at examining whether definite policy orientation guided the Centre and State funding to higher education during the post independence period. Nanjundappa, DM. (1976)\(^9\) in his study “Working of University Finance” examined the criteria for fixation of grants, the format for the presentation of the budget and their functional allocation of funds for academic services of Karnataka University. The study also analysed the closer alignment between the cost and fees of the University. Sharma (1978)\(^10\), Sharma (1978)\(^11\) and Sharma (1980)\(^12\) under the sponsorship of Association of Indian Universities (AIU) made studies on resources

5. Nigam M.S. Study of the Finances of the University of Rajasthan, Journal of Higher Education, 1(8); Spring 1975, pp. 400-402.
for and cost of university education. He pointed out that the higher education system was operating at a sub-optimal level and this is called for remedial action. The studies has been substantially helpful in building a financially data base for educational planning and management. Shaha and Srikantiah (1981)\(^\text{13}\) in their work on the pattern of university income and expenditure of M.S. University critically analysed the various aspects of cost of the university education including capital expenditure. Balvir Singh and Satya Paul (1981)\(^\text{14}\) made study on Delhi University Finance. The study highlighted major trends in the expenditure pattern of different teaching departments of Delhi University. Garg V.P. (1981)\(^\text{15}\) also made a trend analysis on finances of the Panjab University. His study analyse finances of the University of Punjab and its colleges. He also examined sources and objectives, salary structure of faculty members and per capita analysis of income and expenditure both at current and constant price. Balachandran K.K. (1984)\(^\text{16}\) conducted study on government grants and higher educational development with special reference to Indian experience since independence. The study examined the justification for public expenditure, development of higher education in India, financing of higher education and its different constituents, per capita and per student finance and pattern, policies of grant-in-aid adopted by the State Government and the University Grant Commission (UGC) and the mixed system of financing higher education. Gangadhar Nair (1988)\(^\text{17}\) in his work on management of higher educational institution in Kerala highlighted the organisation structure, the model of governance it follows, the work culture of the institutions and problems face by the institutions with special reference to the state of Kerala. In the group discussion-cum-orientation programme on Financial

Administration in Universities (1988) organised by Association of Indian Universities (AIU), in collaboration with the UGC recommended that the UGC should pay cent per cent development grants on all approved items of assistance, payment of grants by cheque/draft, non-deduction of unspent balance from the subsequent grant at the close of the period of grant on genuine grounds. Further, the recoupment of existing deficits of the universities, redesignation of the post of finance officer to that of controller of finance with the same status as the registrar, his membership to the statutory authority of the University are also recommended. Qamar. F (1989) in his study on financial management in residential universities of UP examined the organisational structure and financial decision making on two residential universities of UP - one central and the other state universities. He also analysed resource availability and sources of finance, nature and extent of financial control over revenue, budgetary practices of the Universities and the overall financial performance of the Universities. Nanjundappa D.M. (1989) who worked on University finance highlighted the financing mechanism of Universities. He also pointed out the financial constraints and financial crisis face by the Universities specially the state Universities. Ansari MM. (1989) and Ansari MM (1989) examined the financial problems of University finance. The studies analysed the institutional cost such as teaching cost, cost of non-teaching staff, educational infrastructure, maintenance of library and building repairs etc. He concluded that the system of higher education cannot be improved unless financial inputs are increased in direct proportion to their requirements which could worked out on the basis of scientific norms. Kiranmayi, Y.S., Prasad, G. and Rao, K.V. (1989) structure of Universities in India. Their study analysed the organisation structure of Universities and

pointed out the organisational structure in Universities. The study also throw light on centralization and decentralization of authority and delegation of authority and also suggested measures for reorganisation of the structure of Universities problems face by the management of University with special reference to Agra University. Kevin S. and Ganesh C. (1998)28 together worked on financial management of Kerala University highlighted the financial management practice followed by the University and the problem face it. Their study concluded that the internal resource generation of the University is poor and the major activity centres of the University are not self financing. But, their study is particularly based on Kerala University only. Sujit Sikidar and Padmalochan Hazarika (2002)29 in their work on activity based cost accounting and its application in University financial management find out the various cost centre of the Universities. The study also point out the methods for developing activity based internal management. It also threw light on the resource gap and its impact on financial management of the University. Gogoi, L. (2002)30 also made a study on resource generation in higher education and highlighted various sources for affective generation of funds. He concluded that the authority of higher educational institutions should implement the strategy for utilizing already available resources on priority basis and thereafter should explore some new resources for effective revenue generation for University management. Pylee, M.V. (2004)31 who had made a study on financial management in Universities highlighted the causes of financial deficits and various methods of meeting deficits. The study suggested measures for mobilisation of additional resources to improve the financial management of the Universities. Rajan, M. Welukar, Page, P.V. and Vaidya, V.M. (2004)32 worked on schemes for fund raising for higher

education. The study offers suggestion for resource mobilization for the higher secondary and higher education of greatfulness fund, deposit funds and collection of registration charges. The study also suggested about the creation of a corpus of the funds collected under the above schemes and the utilization of the funds so collected.

However, not must studies has been made regarding the universities both State and Central Universities of North-East India where all the Universities particularly the State Universities have been passing through severe financial hardship. Therefore it has been deduced by the researcher that there is every need for a study resulting to the comparative financial performance of State and Central Universities in this region with regard to financial management pattern, sources and its application of fund.

1.11. NEED FOR STUDY:

In a developing Country like India, Universities have to function as change agents for the overall development of society. However, very little attention has been given to different aspects of financial management of the Universities in the Country. Now-a-day, most of Universities in the Country are finding it increasingly difficult to discharge the functions adequately due to financial constraints and its effective management. The reasons for this situation are manifold such as rapid growth of current expenditure on salaries and establishment costs, increase in student enrolment, inability to raise fee due to certain restrictions, raising cost of conducting examinations, declining flow of funds from funding agencies and the cut imposed by State Government on grants to Universities. In short, the financial position of existing Indian Universities are not lagging behind for satisfaction level.

The North-Eastern States of India also known as eight Development of North Eastern Region (DONER) states is economically backward as compared to other part of the country. These states are facing a major problem of finance for the last few years.
As a result State Government are unable to provide full resources while taking up development task and efforts of these states. So there is less in development of infrastructure of the state as well as in schools, colleges and universities in this regions for the past few years. At present there are 13 (thirteen) universities (including Agricultural University and Institute of Technology) in the region. The financial constraints of the universities specially the state universities in this region are facing a serious problem. The funds provided by University Grant Commission (UGC) to these state universities are insufficient to meet their financial requirement. Beside this the state government are also unable to provide adequate grant to these universities due to the financial problem face by them. So the state universities in this region are unable to discharge the function adequately because of the lack of sufficient fund. In other words these universities are unable to develope their infrastructure such as university building, equipment, libraries, laboratory etc. They are unable to acquire latest books, journals and other reading materials, updating syllabus and modern laboratory materials. Above all, the facility of Information Technology (IT) is also lacking in these State Universities. This may lead to poor quality of education in one side and declining trend of admission in conventional courses in other side. On the contrary, the Central Universities in this region are well equipped with modern amenities and infrastructure. This may help in smooth functioning of these universities. Though, these Central Universities may have some problems such as delay in payment of grant-in-aid by UGC, but, there is no serious problem of finance as the UGC provide both the plan (development) and non-plan (maintenance) grants to these universities. However, the management of university finances is presently undergoing severe internal stresses and strains resulting in low academic standards in both the Central and State Universities. This necessitate a detailed systematic study, both at the aggregate and individual level. Accordingly the present study entitled "Financial Management in Universities - A Comparative Study of Selected Central and State Universities of North-East India", was undertaken by the researcher with the following specific objectives.
1.12. OBJECTIVES OF THE STUDY:

The main objective of the present study is aiming towards the analysis of financial management practice followed by the universities and highlight the problems face by them and find out the measures to minimise the problems.

More specifically the main objectives of the study are stated as below:

i) To analyse financial management practice of the selected universities.

ii) To know the major sources of finance and the pattern of expenditure of the selected universities.

iii) To examine the present budgeting, planning Accounting and Auditing system of the selected universities.

iv) To undertake a comparative study of the selected Universities with reference to their sources of fund and pattern of expenditure.

v) To find out the financial problem faced by the state universities in particular and universities in general and also point out the solution to improve the financial condition.

1.13 HYPOTHESIS OF THE STUDY:

The present study is based on the following hypotheses:

i) The internal sources of major activity centres of the Central and State Universities in North-East India are insufficient to meet its expenditure.

ii) The Central and State Universities in North-East India have poor financial management.

1.14 RESEARCH METHODOLOGY:

This present study is an analytical study which is based on the following research methodology.
Scope of the Study: There are 13 (thirteen) Universities including agricultural Universities in North-East India. However the study consider only general Universities and it ignore agricultural Universities as these are professional Universities. The present study cover five general Universities i.e 2 (two) Central and 3 (three) State Universities which are selected by applying Lotterary method of simple Random Sampling Technique. The selected Universities are North Eastern Hill University (NEHU), Shillong; Tezpur University (TU), Tezpur; Gauhati University (GU), Guwahati; Dibrugarh University (DU), Dibrugarh and Manipur University (MU), Manipur. Manipur University (MU) is taken as State University for the purpose of study. However, since the research scholar belongs to Manipur University, a separate chapter is added specially for Manipur University (MU) relating to the University’s financial pattern after being converted into Central University.

Period of study: The present study cover a period of 11 (eleven) years commencing from 1994-95 to 2004-05.

Source of Data: The research was carried out mainly on the basis of an in-depth study of the documentary evidence. The sources of information and data are of two kinds.

i) Primary Sources: First hand information collected through pre-tested semi-structured questionnaires and interview with the officials and non-official concerned on various aspects of financial management of the selected Universities.

ii) Secondary data: Secondary data have been collected from various publication of the Universities such as University Act. Statutes, Ordinance, Rules and Regulations, Annual report. Annual Accounts, Budget estimates,
Audit report etc. Also data are collected from various published journals, reports, newspapers, periodicals, books and website of Universities and other Agencies relating to the present study.

Framework of Analysis: The primary and secondary data collected from different sources have been analysed with the help of statistical and financial tools. The secondary data of receipts and payments in respect of selected Universities are tabulated on a comparative basis for different parameters under study. Further analysis on receipts and payments have been done by applying Trend analysis. The proportion of receipts and payments on different items was computed for the respective total figures. Also Statistical tools such as T-test and sign-test are applied to test the hypothesis.

1.15 CHAPTER SCHEME:

The present study is broadly classified into seven different chapters, which are as follows:

The first chapter is devoted to the concept of University; Functions of University; Development of University in India; Institutional supports to University education system; Types of University; Funding of University in India; Governance of University in India. In addition, growth of University in North-East India; Profile of Selected Universities, Literature Review; Objective of the study Hypothesis of the study. Methodology; chapter schemes; Significance of the study and Limitations of the study are also covered in this chapter.

The Second chapter consist of the Financial Management practice of the selected Universities. There are five main sub theme of this chapter highlighting the importance of financial management in education institutions; Powers and functions of fiscal policy laying authorities; Representation of teachers, students and non-teaching on the authority of the University; Composition of the Finance committee and finally the Status, power and Functions of the Finance Officer/Treasurer.
The third chapter devoted to the Sources of Finance. There are four main sub-heads in this chapter which consists of Maintenance (Non-plan) source of fund; Development (plan) Assistance; Earmark (special) fund and Fund received from Debt. Deposit etc. fund of Universities.

Chapter four consist of the pattern of expenditure of selected Universities. This chapter deals with the expenditure against the maintenance (non-plan) fund; expenditure against the development (plan) fund; expenditure against the Earmark special fund and expenditure against the debt, deposits etc fund of the selected Universities.

The fifth chapter devoted to the study of Budgeting; Planning; Accounting and Auditing system of the selected Universities.

The sixth chapter is framed as the comparative study of the pattern of receipts and expenditure of the selected Universities. Finally a hypothesis testing is also done under this chapter to prove whether the develop hypothesis are significant or insignificant.

The seventh chapter is framed as a special chapter for Manipur University. This chapter highlighted the financial pattern of Manipur University after being converted into Central University.

The last chapter is dealt on the summarization of the present study in the form of finding of the study, suggestions and recommendation of the study and conclusion.

1.16. SIGNIFICANCE OF THE STUDY:

The universities in India are facing allocative inefficiency, distributive inequality and a financial crisis. The finding of the present study will throw light on the existing financial management practices of universities specially of Universities the North-Eastern region of India. It will help to take appropriate decision regarding the nature of flow of fund and
their application to State and Central Universities. It may aid in decision making to the management of university and might fill the gap of literature in the area of university financial management. The study will suggest and recommend remedial measures for effective and efficient financial management and also help in understanding some of the achievements, successes and problems of financial management. Lastly, the present study will also help the academicians and researcher who will study in this area.

1.17 Limitations of the Study:

The present study have various limitations. There are 13 (thirteen) Universities including newly established Sikkim University in North-East India. However the present study unable to cover all the Universities. Again, delay in finalisation and presentation of annual account in most of the University is another limitation faced by researcher while collecting data. The annual account of Gauhati University for the period of 1994-95 was not finalised till 2003. Also, various dissimilarity were found in the heads of accounts and items of receipts and payments while examining the annual accounts of the selected Universities. So, in order to equalised the data of selected Universities for the purpose of analysis, the available information and data are modified and rearranged. Hence, the analysis is done on the basis of re-arranged information and data.