5.1 INTRODUCTION:

As is well known, the term ‘Budget’ has supposedly been derived from the old French word ‘Bougette’ which referred to the long leather pouch in which the treasurer of the Kingdom carried funds to defray the expenses of the court. Later the term came to popularly denote a ‘statement of revenue and expenditure of an individual or of an organization particularly that of the government’. Gradually the budget has evolved itself into a total concept. It has remained no more a simple statement of requirements and resources of an organization. Rather, it has emerged as a significant management tool and an instrument of policy orientation in the working of the organization. As such, ‘Budget’, at present, symbolizes a “comprehensive and coordinate plan expressed in financial terms, for the operation and resources of an enterprise for some specific period in future.”

The intent and purpose with which budgets of an organization are formulated, used and administered give rise to the concept of ‘budgeting’ and ‘budgetary control’. It may be mentioned here that the ‘budget’ forms the basis of both the ‘budgeting’ and budgetary control’. Budgeting refers to the process of budget-preparation and its administration while ‘budgetary control’ signifies the financial control over the working of the organization.

Moreover, it may also be pointed out that the budgeting and budgetary controls do not exist in a vacuum. They are part of reflect the whole management philosophy and system of an organisation. Budgetary control, in its true sense, forms an integral part of the Management Control System.
It is often observed that few devices of management have so widely been practiced with us much vigor, both in the profit making as well as in the non-profit making organizations, as the budget and budgetary control. The budget and budgetary control have thus become the most versatile of all managerial devices. The ubiquity, one may argue, lies in its efficiency to tackle an array of managerial problems with effectiveness but it seems, that such a wide use of budget in heterogeneous types of organization, in fact, lies more in its simplicity and administrative convenience. The flexibility of ‘budgeting’ as a concept has no doubt rendered it wider adaptability. However, its most unfortunate part has been that it has made the concept vulnerable to varied and convenient interpretations.

Consequently, ‘Budget’ and ‘Budgeting’ in two organizations may have very little in common except for the nomenclature. Budgeting, in most of the industrial establishments, for example means a “Compact system of planning, coordinating and controlling their operation and performance”, while in many non-profit/service institutions like universities it may not mean more than the preparation and presentation of Annual Financial Estimates of their receipts and payments. These are two extreme examples. At empirical level, one may find a variety of interpretation in between.

It, therefore, seems pertinent that an analytical description of budgetary practices\(^3\), in the universities is preceded by a brief note as to the objectives and functions that may, legitimately be expected of it in such institutions.

5.2 OBJECTIVES AND FUNCTIONS OF BUDGETING

Preparation of and control through ‘budget’ in Indian Universities has lately been a statutory compulsion. It has been one of the ‘duties’ of the Executive Council (EC) of the universities to ‘prepare budget’ and exercise control over the affairs of the universities through it\(^4\). Except for the provisions
that the ‘Annual Financial Estimates’ (i.e. Budget for all practical purposes) as prepared by the Finance Officer of the University shall be presented before the Finance Committee; budget as passed by the FC shall be submitted for the approval of the Executive Council (EC) of the University\(^5\). The Acts and Statutes, are however, silent as to the objectives and functions of budget in the Universities. Apparently, these and many other essential details in this respect have been left to the universities to be worked out. As such the Accounts Rule and Financial Code designed by the universities have sought to prescribe certain essential details as to their budgeting. Most of the points brought out in such documents, however, relate to the procedure rather than objectives and functions of budgeting and budgetary control in the universities. Moreover, since these documents were designed long back and were not revised or updated. In Rules and the financial code were not revised since sixties and at the top of it they were out of print as well. In the absence of appropriate guidelines, some of the universities are often inclined to adopt budgetary procedure similar to that of the central and state governments. The limitations of budgetary practices become rather prominent in view of financial stringency encompassing most of the universities. Reforms in budgeting procedure were further necessitated to ensure uniformity amongst the universities.

To overcome the shortcomings of the budgetary practices and to bring uniformity in inter-university budgeting the UGC appointed the Deshmukh Committee to look into the problem. Subsequently, based on the recommendations of the said Committee, the UGC, in 1970, circulated detailed guidelines together with a ‘dummy budget for favor of being adapted in the universities. This has perhaps been the first ever attempt to streamline budgetary practices in the universities. The aforementioned guidelines envisaged the following as the objectives of budgeting in universities:

1. To present estimates of receipts and expenditure of the university in respect of a financial year before the commencement of that year;
2. To specify the objects for the limits up to which expenditure may be legally incurred during the course of financial year;
3. To use budget as a means of exercising financial control over approved items of income and expenditure;
4. To classify transactions in a manner, so far as possible, to make them in conformity with the system of classifications as it obtains in the government.
5. To regroup the heads and sub-heads of income and expenditures as to present at one place all receipts and expenditure of identical nature.
6. To facilitate proper reconciliation and control over cash balances by maintaining the cash books for the different parts of the budget separately.
7. To exercise proper and effective control over receipts and expenditure and to facilitate quick preparation of Appropriation Account.
8. To ensure ready availability of facts and figures for statistical use.
9. To facilitate in collecting, linking and correlating figures;
10. To eliminate avoidable and unnecessary details; and
11. To simplify the forms of Annual Accounts to be prepared and presented by the universities.

As discussed in chapter four, a major portion of the universities’ income is received by way of grants from the central and state governments as well as from the University Grants Commission, the budget of the universities, often resemble to the ‘Demand for Grant’ in the Government. As such, they submit reasons for significant variations between the budget estimates and actual for the previous year and also explain justification for the continuation and enhancement of financial support.
The budget of the universities have thus theoretically been visualized as an instrument of

1. Planning for the future needs,
2. Controlling expenditure leading to cost control,
3. Justifying the needs of enhanced or at least continued state support,
4. Authorizing expenditure on approved budget item,
5. Streamlining the book-keeping and accounting procedure, and

Compared with contemporary developments in the field of budgeting in industry and institutions of higher learning in most of the developed countries, expectations from budgeting in Indian universities appear rather inchoate. The budgets in Indian universities are still only a means of monitoring and planning the ‘input factor’. Budget as a means of coordinating the activities of various segments of the universities like teaching department, research institutes and administrative and service units have remained almost a distant dream. Besides, even the ‘planning function of university budget has remained confined to the estimation of receipts and payments in the ensuing financial year. The underlying spirit of planning such factors as 1. What is to be done, 2. How is to be done, and 3. Who is to assume responsibility for what and be held accountable remains yet a distant goal.

As pointed out earlier, budgeting being an integral part of the Management Control System (MCS) reflects on the working and performance of the organization, the extent to which the advantages of budgeting could be availed of depends upon the ability of the organization to make use of the technique – not by letter but in its spirit; often times, budgetary practices differ from organization to organization at empirical level. It is in the context of the above functions and limitations that we propose to examine budgetary practices
in Gulbarga University Gulbarga and Mangalore University Mangalore. An analysis of budgetary practices in the universities involve a critical evaluation of such issues as

1. Types of Budget and Budgetary classification;
2. Preparation, presentation and approval or budget,
3. Preparation and approval of revised budget estimates; and
4. Budgetary innovations. Based on the information’s obtained from Gulbarga University Gulbarga and Mangalore University Mangalore an analytical description of these issues and allied matters have been presented in following:

5.3 TYPES OF BUDGET AND BUDGETARY CLASSIFICATION

Budget in the two universities may broadly, be of two types namely (1) Development and (2) Maintenance Budget called Annual financial Estimates. The Development budget of the universities is a periodical phenomenon and commensurate with the UGC’s development schemes under five year plans preparation and submission of such budget proposals in both the universities are the responsibility of the registrar’s office. For the purpose, there is a ‘Development cell’ to cater to the need. Mostly the development budgets’ in both the universities are prepared on the basis of guidelines issued by the University Grants Commission from time to time. In view of the study objectives and owing to the limitations of time and space we shall, however, concentrate on the ‘maintenance budget’ of universities alone.

The maintenance budget i.e., Annual Financial Estimates of the university is aimed at estimating the ‘income’ and ‘expenditure’ of the university for the ensuing financial year. As mentioned earlier, the classifications of ‘income’ and ‘expenditure’ as well as the format of budget proposal have been left to be worked out by the universities. However, the UGC has circulated a Dummy Budget, prescribing a standard format and
budgetary classification, for favor of being adopted by universities in India. Accordingly, the budget heads of the universities may be classified as under’.

**Part-I: Non-plan:** dealing with the receipts and expenditure connected with the normal functioning of the university including general and auxiliary services.

**Part-II: Plan:** dealing with the receipts and expenditure on development activities in the university out of plan provision.

**Part III: Earmarked:** (Special Funds) dealing with the receipts and expenditure relating to special funds.

**Part IV: Debt, Deposits, Advances,** etc. dealing with the receipts and expenditure relating to debt deposit and advance etc.

The Dummy budget also provide for the preparation of an abstract and summary of the budget in addition to the detailed budget.

An enquiry into the budget classification and format adopted by the two universities revealed that the Gulbarga University Gulbarga has adopted the dummy budget in its totality while the Mangalore University Mangalore takes into account the receipts and payments under the main account only. The ‘Main accounts’ of the university deals with the receipts and payment relating to the normal functioning of the university and thus resembles the part I Non-plan of the UGC classification. Often times the Annual Financial Estimates of Mangalore University Mangalore, as presented before its FC, have been termed ‘Non-plan of Revenue’ presumably to give impression that it is prepared in pursuance to the UGC guidelines.

It may be pointed out that the budgets of both the universities are further classified and reclassified into heads and sub-heads mostly accordingly to object of expenditure and source of receipts. Further, the accounting classification of receipts and expenditure in both universities do not necessarily
conform to their budget classification. In Gulbarga University Gulbarga, for example, the Annual Accounts classify transaction under the special fund, general fund, development fund each sub classified into capital, revenue and debt-head and the Project Fund Accounts. It may also be pointed out that the basis of classifying a transaction as ‘revenue’ or capital’ in both the universities is the source of income rather than the nature of the expenditure. As a result, ‘Capital Expenditure’ likes purchase of books office equipment, etc. if made out of the receipts of the general fund Revenue Account, has been treated as ‘Revenue Expenditure’.

As mentioned earlier, the budgeting in the universities often take the form of ‘Demand for Grant’. As such the budget proposals in both the universities are supplemented by a statement explaining causes for variation between the budgeted and actual income and expenditure. The budget proposals do also contain an statement requesting for the continuation of government support in the ensuing year as well.

5.4 PREPARATION, PRESENTATION AND APPROVAL OF BUDGET

The maintenance budgets of Gulbarga University Gulbarga and Mangalore University Mangalore are prepared and processed by the finance and Accounts Office of the respective universities. Compilation of budget estimates is an enormous task. It involves considerably a large number of responsible manpower almost round the year.

As mentioned earlier, the budgets are a device of planning for the future requirements of the organization and at the same time ensure coordination amongst the various segments of the organization as well. As such, as the general principle goes, preparation of budget in universities should take a comprehensive view of its requirements and must lay emphasis on the advancement of the institution rather than maintaining the status quo. In order to ensure balance growth, it must take into account the requirements of each
and every organ of the university. Further, it must, also seek participation of all concerned so as to receive their continued cooperation. To what extent have these principles been translated into practice is reflected through the budgetary procedure adopted by the universities.

Preparation of its ‘maintenance budget’ in Gulbarga University Gulbarga has been entrusted to a ‘Budget Section’ under the overall supervision and control of a Deputy Registrar. The section comprises one section officer, two senior assistants, one senior clerk and two junior clerks. In Mangalore University Mangalore on the other hand, preparation of its maintenance budget is the responsibility of entire Finance Office. Besides, Financial Estimates relating to Establishment Section is that of the Registrar’s Office.

The Account Rules and Financial Code of the respective universities provide for a budget time table. Account rule 118 of the Gulbarga University Gulbarga prescribes the following schedules for the preparation of original budget estimates of the university:

**October, 1st Week:** Estimates of the respective Departments to reach the Finance Officer.

**November, 4th Week:** Scrutiny of budget be completed by the finance Section and tentative budget to be submitted to the finance Officer (FO).

**December 1st-2nd Week:** Discussion on the budget by the FO with the heads of the Departments, officers and other authorities and incorporating necessary changes in the draft budget in the light of those discussions.

**January, 2nd Week:** Dispatch of budget for cyclostyling/ reprography.

**February, 2nd Week:** FC meeting to consider the budget.

**February, 4th Week:** EC/ syndicate meeting to consider and approve the budget.
March, 1st Week: Dispatch of the budget to the press for printing.
March, 4th Week: Dispatch of the printed budget to the Department.
April, 1st Week: Budget to be effective from.

It may be pointed out that yet another step which is not provided for in the statutes, is the dispatch of budget to the UGC soon after it is approved by the university authorities.

A similar budget time table is supposed to have been prescribed in the Accounts Code of Mangalore University Mangalore too. The same could, however, not be ascertained due to non-availability of the document even with the FO, Registrar and AO of the University. The researcher was informed that the same has recently been updated and is in the process of printing. In the absence of budget time table the Finance Officer has been adhering to the schedule as evince from the past practice. Another consideration guiding the budget time table in the University is that it must be approved by the universities with such a margin of time that it could be sent to the government for being included in its budget proposal. Normally the process of preparing budget in Mangalore University Mangalore commences with the beginning of September and is completed by the December end. Soon after the budget as approved by the University authorities is dispatched to the Department of Higher Education of the state Government for approval and sanction of grants-in-aid.

The prescribed budget time table, it may be pointed out emphasize upon timing of the budget as well as on ‘certain essential steps’ that need to be taken while preparing the budget estimates of the university. In the present days when the universities are facing difficulty in keeping their academic schedule. Laity in observing budget time table or its procedures is also not a rare phenomenon.
During the course of research investigation it was observed that the Department of Studies and Faculties are hardly consulted in the process of budget preparation at least so far as the maintenance budget of the university is concerned. The officer of both the universities commented that the past expenditure is the best indicative of the future requirements; as such there is hardly any necessity to consult the Heads of the Departments and officers. Besides, the universities seem also to believe that the development requirements, if any can be incorporated in the “development budget” alone and what the “maintenance budgets” strive is maintaining the status quo. Such misconception has to found equally prevalent in both the universities.

Posed with the question as to what forms the basis of budget estimates for the ensuing financial year, the officers of both the universities reported that the actual for the previous years and revised estimates for the current year. Usually the budget proposals in both the universities are drafted on incremental basis. It was discovered that normally 3 to 5 per cent is added in the revised budget estimates plus provision for new sanctions under plan scheme are the budget estimates for the ensuring financial year.

Coming to budget time table as such, it is discovered that the same has rarely been observed for one reason or the other. A research report on the budgeting in Gulbarga University Gulbarga reveals that as against February budget of the university have usually been approved only around March end.

This obviously delays the submission of budget for demand for grant to the UGC or the state government. This, however, on the face of it hardly put the universities to a financial crisis. These financing agencies have shown generosity to a financial crisis. These financing agencies have shown generosity to the extent that they release an interim grant to keep the universities going. But in an intrinsic sense, the perils are inevitable. The interim grants just help the universities to pull on; as a result whatever small
money for expansion and renovation is sanctioned, is received belated often by the verge of the financial year. This undoubtedly results in rush spending of money without giving a damn to its utility.

An efficient system of budgeting has been described as one where variations between the ‘budget estimates’ and actual are seldom significant. The very success of budgeting lies in its ability to predict resources and requirements with scientific accuracy keeping in view that numerous internal and external factors are likely to influence the performance. Yet another essential aspect of budgeting has been described as the ability of the organization to initiate corrective action as and if required.

An attempt has been made to ascertain the efficiency of budgeting in the two universities on the basis of above parameters. The results of the analysis have been summarized in Tables 5.1 and 5.2.

Table 5.1 summaries the ‘budget estimates’ and ‘actual of the income and expenditure of the Gulbarga university Gulbarga during 2005-06 as a sample comparison. Certain insightful facts are discernible from the table. First, the estimates of income as well as expenditure have varied often considerably Secondly, it seems that the university has developed the tendency to under estimate both its income and expenditure. Thirdly, in some of the years variations have been perplexing. The income of the university in 2012-13 and 2013-14 for example was underestimated by more than 24 and 16 per cent respectively. Similarly, the expenditure of the university, during 2009-10, 2010-11 and 2012-1384 were underestimated by more than 10, 18 and 23 per cent respectively. These facts speak volumes on the way the financial estimates of the university are prepared.
### Table 5.1: Budgeted and Actual Income and Expenditure of Gulbarga University Gulbarga 2005-14 (Rs in Lakh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Receipts</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As estimated by the University</td>
<td>Actual</td>
</tr>
<tr>
<td>2005-06</td>
<td>2918.81</td>
<td>2646.76</td>
</tr>
<tr>
<td>2006-07</td>
<td>2785.21</td>
<td>3322.31</td>
</tr>
<tr>
<td>2007-08</td>
<td>3206.23</td>
<td>4623.85</td>
</tr>
<tr>
<td>2008-09</td>
<td>5739.57</td>
<td>5964.72</td>
</tr>
<tr>
<td>2009-10</td>
<td>5514.71</td>
<td>7598.98</td>
</tr>
<tr>
<td>2010-11</td>
<td>8815.41</td>
<td>9133.92</td>
</tr>
<tr>
<td>2011-12</td>
<td>6092.77</td>
<td>9049.51</td>
</tr>
<tr>
<td>2012-13</td>
<td>8567.43</td>
<td>9583.43</td>
</tr>
<tr>
<td>2013-14</td>
<td>9270.31</td>
<td>10576.68</td>
</tr>
</tbody>
</table>

**Source:** Budget Estimates of the University for the year 2005-14.

Table 5.2 summarizes the ‘budget estimates’ and actual’ of income and expenditure of the Mangalore University Mangalore. It may be pointed out that unlike its other, counterpart which receives block maintenance grant from UGC, Mangalore University Mangalore receives maintenance grant, worked out on the basis of deficit formula, from the State Government. Deficit, in case of university, has been described as the difference between its approved expenditure and estimated income. As such, budget proposals of the university are often subject to detailed scrutiny at the level of the State Government. As a result, its proposals are quite often reheard massively. The Table mentions ‘budget estimates’ as proposed by the university and as approved by the State Government juxtaposed to the ‘actual’. 
Even a cursory look at the Table reveals striking facts. It will be seen, in the first instance, that neither of the budget estimates (i.e., by the university or by the government) have been close to the ‘Actual’. Secondly, the university has developed the tendency to underestimate its income by large margin. The actual income of the university has in effect been much higher than what was estimated in 2005-06, for example, the income of the university has been more than 98 per cent higher than what was estimated. On an average, it has virtually been always higher by around 30 per cent. In contrast, an estimate of the state government with respect to the income of the university seems rather close to the actual, though the actual, in most of the years, have remained higher. It seems that the university deliberately underestimated its income hoping to fetch higher amount as grant while the State Government revises it upwardly and expects the University to achieve the target.

<table>
<thead>
<tr>
<th>Year</th>
<th>Receipts As estimated by the University</th>
<th>Actual</th>
<th>Expenditure As estimated by the University</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>3590.07</td>
<td>2834.31</td>
<td>3805.45</td>
<td>2879.91</td>
</tr>
<tr>
<td>2006-07</td>
<td>4262.51</td>
<td>3491.59</td>
<td>4262.51</td>
<td>3456.91</td>
</tr>
<tr>
<td>2007-08</td>
<td>4236.21</td>
<td>2483.77</td>
<td>4478.25</td>
<td>2262.46</td>
</tr>
<tr>
<td>2008-09</td>
<td>5370.76</td>
<td>5204.78</td>
<td>5722.81</td>
<td>5117.31</td>
</tr>
<tr>
<td>2009-10</td>
<td>6845.83</td>
<td>6676.66</td>
<td>7353.59</td>
<td>6682.64</td>
</tr>
<tr>
<td>2010-11</td>
<td>9480.09</td>
<td>7504.26</td>
<td>9858.92</td>
<td>6843.22</td>
</tr>
<tr>
<td>2011-12</td>
<td>11947.36</td>
<td>8325.72</td>
<td>12422.07</td>
<td>8594.74</td>
</tr>
<tr>
<td>2012-13</td>
<td>139641.31</td>
<td>9201.86</td>
<td>14593.38</td>
<td>8485.73</td>
</tr>
<tr>
<td>2013-14</td>
<td>16897.35</td>
<td>10078.84</td>
<td>17473.13</td>
<td>8703.75</td>
</tr>
</tbody>
</table>

Source: Budget Estimates of the University for the year 2005-14.
Looking across the expenditure side of budget, it may be noted a reverse trend is discernible. The university has developed the tendency to overestimate its financial requirements while the Government has been forcing the university to manage its affairs with a lower fund. It will be seen that on an average the university has been overestimating its expenditure by around 10 per cent. Interestingly but not surprisingly, the tendency with the state government has been just the opposite. In its efforts to work out grants-in-aid for the university a minimum, it has been cutting down the budget proposals of the university somewhat rather blatantly. Whereas in 2005-14 when it estimated expenditure of the university 12 per cent lower than what the university proposed, in 2014-15 the reduction has been to the tune of 30 per cent.

The reasons for such variations in the budget estimates and actual as well as in the estimates by the university and by the state are not difficult to find. The main cause lies in the preparation of budget estimates. Should these estimates be worked out scientifically, by using certain norms for the balanced growth of the institution, variation of such magnitude would have been eliminated or at least reduced.

5.5 PREPARATION OF REVISED BUDGET ESTIMATES

Revision of budget estimates during the currency of the financial year is a common practice in the government department departments and other public and service institutions. Pursuing a similar tradition, preparation of revised budget estimates in the two universities has been declared an accounting necessity.

The Accounts Rules 120 (B) of Gulbarga University Gulbarga prescribes for the following time table for preparing the revised budget estimates:

**July, 2nd Week:** Intimation to the concerned departments asking for submission of proposals
July, 4th Week: Receipt of proposals from the Departments
August, 2nd Week: Scrutiny by the Finance Section
August, 3rd Week: Approval by the FO/VC
September, 3rd Week: Approval of the Finance Committee
September, 4th Week: Approval of the EC and intimation to the Departments

The other university is also supposed to have a similar schedule for the preparation of revised budget estimates.

The exercise of revised budget estimates in the universities has, theoretically, been visualized not only as a means of updating the budgetary targets but also as means of periodically evaluating the financial performance of respective departments/office.

Unfortunately, as it appears from the analysis of the two universities, revised budget estimates have just become a ritual. Their basic spirit has lost. They are used neither as means of revising targets and achievements nor as a means of evaluating financial performance. It will also be observed that more often than not even the time tables for the revised budget estimates are not adhered. Instead the Revised budget estimates of the university for current year is submitted for approval along with the ‘budget estimates’ for the ensuring financial year, the officers of both the universities traced the reasons to disturbed academic session and delayed admissions. It may also be pointed out that normally the departments concerned are seldom consulted. The revised budget estimates are prepared on the basis of data on actual receipt and payments during the April-July/ August.
5.6 BUDGET INNOVATIONS

It has been emphasized all through the present book that economy and efficiency in the operation of the universities are the foremost necessity. Further it has also been pointed out at more than one place that, in view of growing financial support for higher education coming from public exchequer, these institutions is prepared to demonstrate the efficient and economic use of their funds. The traditional means by which the universities and other institutions of the sort have been satisfying public curiosity concerning their financial operations, is their budget. This has added yet another dimension to budgeting. Often times the scope and importance of this aspect of budgeting has grown to such an extent that it has become the epicenter of management responsibility\(^7\).

During recent years, it has become obvious that the traditional budgeting has been failing to come up to the expectations of budgeting itself. As a result the system of budgeting and budgetary control has been undergoing continuous renovations and reforms particularly in the developed countries.

The major obstacle with the traditional budgeting was found to be its sole emphasis on ‘input factors’ and in its item/object. This difficulty, in the initial years, was sought to be overcome by reclassification of budget according to functions and organizational unit. In later years, the ‘performance budgeting’ emerged as a significant budgetary device. The ‘Performance Budgeting’ was expected to revolutionaries budgetary practices in service institutions particularly those the output of which lack easy quantification. The ‘Performance Budget’ was adopted in some of the state government but the same could hardly serve a purpose. If the ‘Performance Budget’ prepared by the Education Department of UP is any indicative of its achievement then it can easily be termed as mockery of ‘budgeting itself. The performance budget prepared by the Department is simply a detailed statement of its activities during a financial year\(^8\).
At international level, the more recent developments have been in the name and form of (1) Program Budgeting, (2) Planning Programming, Budgeting and Evaluation System (PPBES), and more recently the (3) Zero Based Budgeting (ZBB).

As Weathers by and Balder ton have rightly stated, the American society is fascinated, almost hypnotized, by new things. The above developments in budgeting became widely popular and became in vogue almost instantly in almost all walks of life.

As far as the Indian higher education particularly the universities are concerned, the budgeting has by and large remained traditional. Apparently, there have been few innovations in their budgetary practices. Of course a few scholars have come up with economic classification of its budget heads. A newly worked out financial code for universities, inter-alia, requires of them to prepare a ‘Performance Budget’ as well.

It may, however, be pointed out that this may not be taken to be the most precarious one. In most of the developed and developing countries the old ways of budgeting and budgetary control seem to survive. It may also not be surprising that the ambitious visions of PPBS/PPBES, where all kinds of control are integrated into one system has remained a vision. Similarly, there is virtually no evidence that PPBS has anywhere achieved what it promised. The ZBB is not more than two decades old and one still looks forward to hope the best for the criticisms of the ZBB have been in prominence.

What, therefore, is needed in the present days’ university set up in India is not testing an trying the newer approaches to budgeting. Rather the traditional approaches need to be implemented earnestly. The existing practices may also be supplemented with certain standards and norms scientifically fixed.
for the purpose to ensure accuracy and efficacy in the budgetary practices of the universities.

NOTES AND REFERENCE


3. Vide (i) Section 21 (1) V of Uttar Pradesh Universities (Re-enactment and amendment) Act, 1974 as amended up to-date.
   (i) Clause 21(8) of the statutes under Section 17(2) of the Banaras Hindu University Act, 1915 as amended up to-date.
   (ii) Clause 6.05 of the First Statutes of the Lucknow University under Section 26(1) and 49(a) of Utter Pradesh Universities Act 1973.


