

Controlling

If a manager performs these functions efficiently & expently Co-Ordination is generated automatically and remains no need for Special Co-Ordination.

Need for Co-Ordination :-

There are several factors

1/. Division of labour :-

When managers divide work into Specialised functions or department they at the same time create a need for the Co-Ordination. These activity Co-Ordination ensure proper Synchronization b/w activity of different units, avoid, interruptions in Operations due to reasons such as delay in the supply of materials, tools, directions wrong allocation of duties & eliminate overlapping or duplication of work.

2/. Interdependents of units :-

The need of Co-ordination in an organization also arises because of the interdependence of units the greater need for Co-ordination.

i/ Pooled interdependence

ii/ Somequal "

iii/ Reciprocal "

i/. Poolcom Pooled interdependence :-

Make Contribution into the total preparation but are not directly related.

ii/ Sequential interdependence :-

In this kind of interdependence one organization unit must do before the next.

iii/ Reciprocal interdependence :-

If this relationship the input of one unit becomes the output of other.

Budget

A budget is a financial & quantitative Statement prepared for a period of time. In this budget various types of policies will be adopted. It is very clear that budgets will be made on the basis of future plan. Budgets are plan for a future period of time. Containing Statement of expected results in numerical terms. The important budgets are Sales budget, production budget, Cash budget & revenue & expenses budget. The Sales budget shows the expected sales of finished goods for a period.

The production budget reflects the anticipated production over a period. A Cash budget projects the expected flow of Cash for a period in advance & the revenue & expenses budget shows the anticipated revenue & expenses for a period.

Budgets are very useful for an enterprise being expressed in numerical terms they facilitate comparison of actual results with the plan one and serve as a control device. They also help in identifying & removing dead heads of expenditure. In Zero based budgets the sums appropriated to various heads of expenditure in previous years are set to zero & the manager is required to justify expenditure fresh from there will.

Difference between forecast & budget :-

Forecast is mainly consisted with an assessment of probable future events. Budget is a planned result that an enterprise aims to attain.

Forecasting precedes preparation of a budget as it is an important part of budgeting process. It is said that budgeting process is more a test of forecasting skills than anything else.

A Budget is both a mechanism for profit planning & techniques of operating Cost Control.

i/. **forecasting** is mainly concerned with anticipated events.

Budget is related to plant events.

ii/. **forecast** may cover for longer periods of years.
Budget is plant or prepares for a shorter period.

iii/. **forecast** is only a tentative estimates.
Budget is a target fixed for a period.

iv/. **forecast** results in planning.
Budget: Result of planning is budgeting.

v/. **forecast** does not act as a tool of controlling measurement.
Budget: Purpose of budget is not merely a planning of budget is not device but also a controlling tools.

Budgetary Control

Budgetary Control is the process of establishment of budget relating to various activities & comparing the budgeted figure with the actual performance for more or less deviation. Budgetary Control is planned to