

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

assist the management for policy formulation planning
Controlling & Co-ordinating the general objectives
of budgetary Control.

Planning → A budget is a plan of action

Co-ordination → Budgetary Control Co-ordinates
the various activities of the entity or organization
& Secure Co-ordination of all concern towards
the Common goal.

Control → Control is necessary to insure that plans
& Objectives are being achieved. Control follow
planning & Co-ordination. No Control performance
is possible without predetermined Standards.

Advantages :-

- i/ It facilitate reduction of Cost.
- ii/ Budgetary Control guides the management in planning
& formulation of policies.
- iii/ It ensure maximization of profit through Cost Control.
- iv/ It evaluates for the Continuous review of performance
of different budget Centers.
- vi/ It facilitate Corrective action whenever there is ineff-
iciency & Weakness Comparing actual performance
with budget
- v/ It ensure economic in working.

Limitations of Budget

Budgetary Control is an effective tool for management Control.

- i/ The budget plans is based on estimate & forecasting forecasting Can't be Considered to be an actual scenario. If the budget plan are made on the basis of in accurate forecast the budget program may not be accurate & effective.
- ii/ The System does not Substitute for management. It is more like a management tool.
- iii/ Budgeting may be time Consuming process
- iv/ Lack of Co-operation, Willingness & inefficient performance.

Inventory Control & Quality Control

Quality Control is a System of routine technical activities to access & maintain the quality of the Inventory. It is performed by personal Compiling inventory.

The quality Control System is designed to provide

routine & Consistent Check to ensure data integrity Correctness & Completeness.

It also provide the facility to identify & addresses errors, & the facility to document & archive inventory material & record all quality Control activities.

Quality Control plan :-

A Quality Control plan is an internal document to organize & implement all activities like inventory Compiling data Collection data manipulation & data review.

Inventory Management

The main Objective of inventory management is to provide transparency, Consistency, Completeness, & accuracy. The inventory management guidance is design to achieve practically, Cost effectiveness, in operation of existing experience & the potential for application on world wide.

The inventory management System Contribute to the Objectives of good practice in inventory development.