

## FINANCIAL ANALYSIS

Finance is the blood line of an Institution. Systematic allocation and utilisation of the fund is utmost important for the growth and development of the Education World. Financial management is the art and science of managing an institution's fund so that it can meet the expenses of the institution and can achieve its objective and goals.

A **Funds Flow Statement** is a financial document that analyses and validate the movement of funds from the previous financial year to the current year. It compares the source of inflow and outflow of funds during the concerned accounting period and analyses how it affects the working capital of an Institution.

It is an essential determiner that shows how funds are used. With the help of this statement, Institute can assess the fund flow of an organization in the near future. It helps in portraying the movement of funds among several sources and their applications.

Here, the preparation of the statements is followed by a funds flow analysis. It serves as a financial parameter that helps an institution to control its finance and develop a better strategy to utilize funds.

**Table I: Budget Allocation**

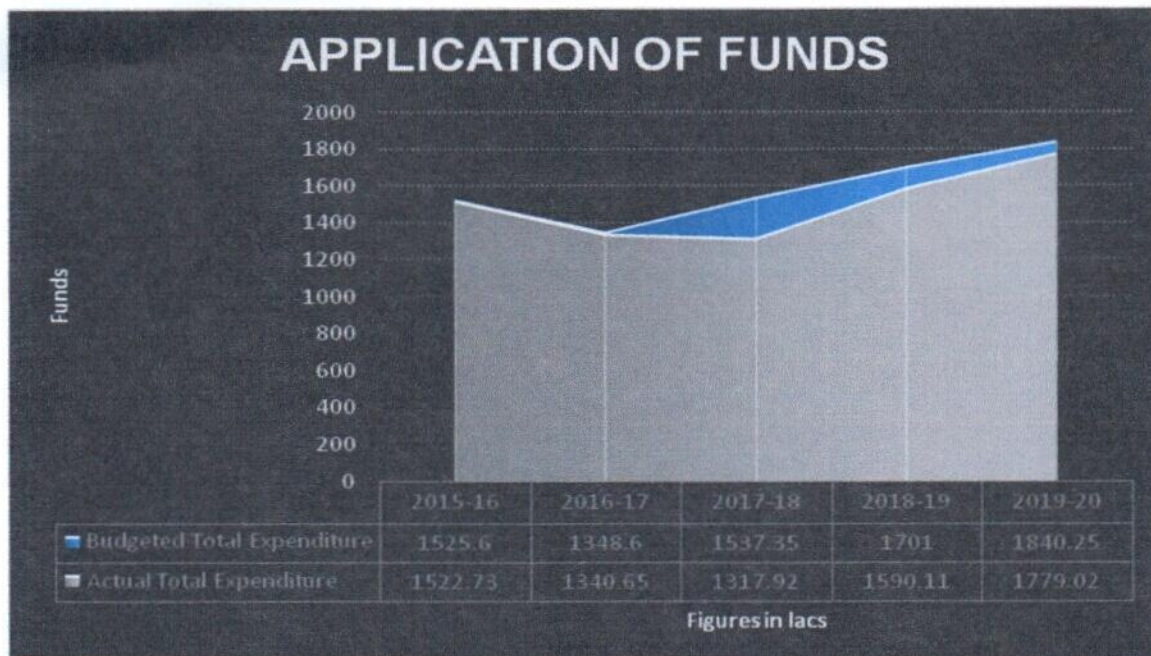
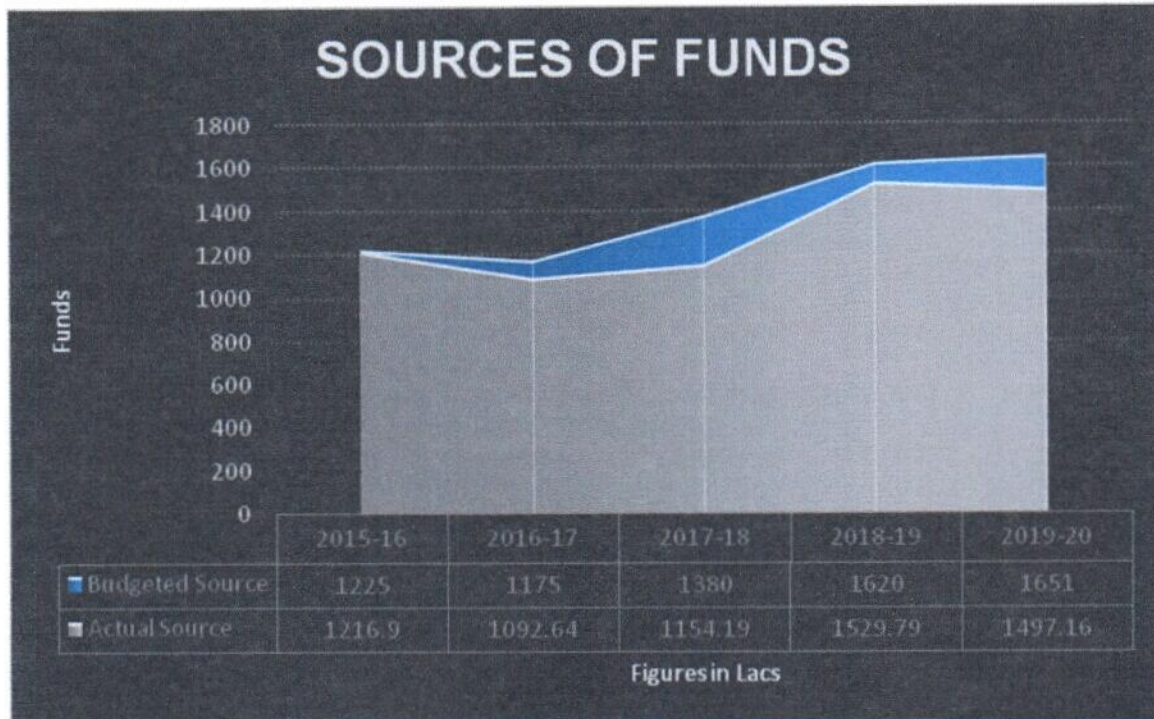
Year	Sources of Fund		Application of Fund					
	Budgeted (Lacs)Rs.	Actual (Lacs)Rs.	Budgeted (Lacs)Rs. Revenue Expenditure	Budgeted (Lacs)Rs. Capital Expenditure	Budgeted (Lacs)Rs. Total Expenditur	Actual (Lacs)Rs.Reve nue Expenditure	Actual (Lacs)Rs. Capital Expenditure	Actual (Lacs)Rs. Total
2015-16	1225	1216.9	1505.6	20	1525.6	1502.13	20.6	1522.73
2016-17	1175	1092.64	1296.6	52	1348.6	1292.73	47.92	1340.65
2017-18	1380	1154.19	1522.35	15	1537.35	1305.02	12.9	1317.92
2018-19	1620	1529.79	1646	55	1701	1536.97	53.14	1590.11
2019-20	1651	1497.16	1677.25	163	1840.25	1651.77	127.25	1779.02



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Figure I:



**Analysis:** Table I shows the summary of Sources and Application of funds for the last five academic years. This represents the financial position of the institution. In comparing the 19' 20 with 15' 16, there has been a growth of approx. 34.77% in budgeted (Source of Fund) and 23.03% in actual Source of Fund). Similarly, the expenses of the university have been increased from the last five years. The expenses incurred by the university in 19'20 were approx. 18% over its allotted fund.



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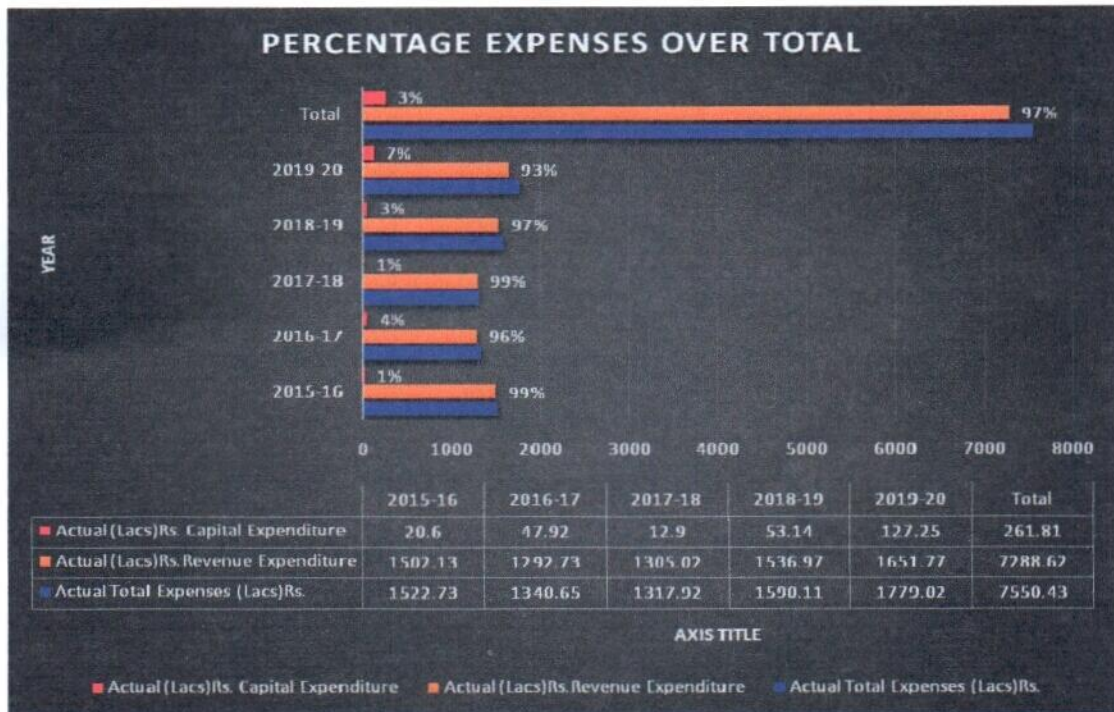
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**Table II: Percentage Expenses Vs Total**

Year	APPLICATION OF FUNDS			% EXPENSE Vs TOTAL	
	Actual (Lacs)Rs. Revenue Expenditure	Actual (Lacs)Rs. Capital Expenditure	Actual (Lacs)Rs. Total	% Revenue Expenditure to Total	% Capital Expenditure to Total
2015-16	1502.13	20.6	1522.73	99%	1%
2016-17	1292.73	47.92	1340.65	96%	4%
2017-18	1305.02	12.9	1317.92	99%	1%
2018-19	1536.97	53.14	1590.11	97%	3%
2019-20	1651.77	127.25	1779.02	93%	7%
<b>Total</b>	<b>7288.62</b>	<b>261.81</b>	<b>7550.43</b>	<b>97%</b>	<b>3%</b>

**Figure II:**



**Analysis:** Table II depicts the percentage of expenses (revenue and capital) over its total application of fund for the last five years. Looking at the above table, it can be concluded that major portion of the fund allotted is being utilised under the head revenue expenditure which includes salary and other employee benefits, Library Expenses, Maintenance of Academic Facilities, Maintenance of Physical Facilities etc. It can be said that out of total expenditure incurred, 97% is revenue expenditure and rest 3% is capital expenditure.



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