



“A STUDY ON EFFECTIVE WAY TO AVOID MISAPPROPRIATION OF FUNDS IN BALANCE SHEET”.

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Abstract:

This Research is intended to explain review of literature for the study; it explains the need of the study. It ascertains the statement of the problem with appropriate justifications. It explains the objectives of the study, scope of the study, research methodology used to arrive at the solution of the problem, sources of data and it also explains the limitations of the study. Finally it ascertains the reference period and chapter scheme.

Keywords: *Assets, Liabilities, managing strategies, Effective Management, machinery, net profit.*

I. Introduction:

Assets and Liability Management refers to managing of assets and liabilities in an effective manner in order to manage the day to day operations of business and meet the organizational objective and financial objectives. It is a on-going process that involves formulation, implementation, monitoring and revising strategies related to its assets and liabilities.

ALM is an essential and critical process for any organization that invests to meet its future cash flow needs and capital requirements. ALM with reports like earnings at risks, cost to close and capital at risk reports.

II. Review of literature:

T. Ravi Kumar –

This study reveals that deregulation and integration has made a way for the financial institutions into heavy competition both on assets and liabilities side of balance sheet, for forcing them to assume greater and newer risks in their quest for higher returns.

P.M. Joshi

(1998) in a study on Assets and Liability it points that in-order to avoid any danger of mismatches of fund ,the companies must cautiously and extremely watch maturity pattern of liability.

III. Statement of the problem:

To know the risk arising from the mismatches or fluctuations between assets and liabilities (inflow and outflow). And the profitability ratios increasing or decreasing in the company.

IV. Objectives of the study:

- ✓ To study the concept of assets and liability management.
- ✓ To study the process of cash inflows and cash outflows.
- ✓ To study reserves cycle of assets and liability management.

V. Scope of the study:

The study is restricted to Assets and Liabilities Management in the area of Electronic utility products.

VI .Research methodology:

The primary purpose of the present research work is to explore the need and importance of “**Assets and Liability Management**”. The required data for study were collected from secondary data.

- Primary data:
The primary data is not used to analyse the study.
- Secondary data:



The secondary data was collected from published sources like annual reports of the company, action plans, reports of various study terms and government publications. The basic literature relating to the categories of beneficiaries and various aspects “Assets and Liability Management” were collected from different books and journals. Data was also collected from library of college, state government and research articles. Finally, the national and regional newspapers, brochures, plan document and other published and unpublished literature were also made use of.

VII. Tabulation and analysis of data:

The data collected were tabulated and presented through tables and graphs .In order to achieve the objectives of the study ,the data were analyzed with the help of simple techniques of statistical analysis such as average ,percentages ,bar diagram and in order to interpret data and draw conclusion.

VIII. Plan of analysis:

The study shall be purely on classifiable and tabulated data analysis in the form of theory that can be interpreted in accordance with help of comparative and percentile analysis. Bar charts, Pie diagram, Multi - bar.

IX. Limitation of the study:

- The results obtained are based on the information provided by Company.
- The study is restricted to the geographical area of Bangalore City only.

X. Data Analysis And Interpretation:

The data required for the study were mainly collected from the secondary sources, which were published in nature; the facts and figures were further collected from the various reports of the company, the same were analysed and tabulated represented in the form of graphics and inferences were drawn here under:-

Table - 4.9: Software

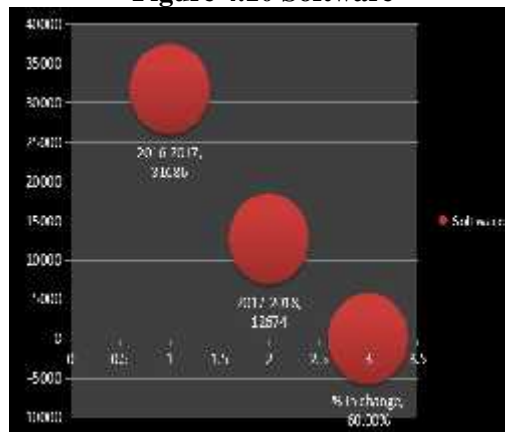
Particulars	2019-2020	2020-2021	% In Change
Software	31686	12674	60.00%

Sources: Annual Report

Analysis:

From the above table it is clear that the software in the year 2019-2020 is been decreased to 12674 compared to the year 2020-2021 that was 31686. In the year 2019-2020 the value is decreased by 60.00%.

Figure 4.10 Software





Interpretation:

From the above chart it is clear that from the year 2019-2020 the software is decreased in the year 2020-2021. It is clear that the company has less investment on these kinds of assets. So, the company should increase its values for more profit earnings.

Table: Current Assets

Table - 4.10: Stock on Hand

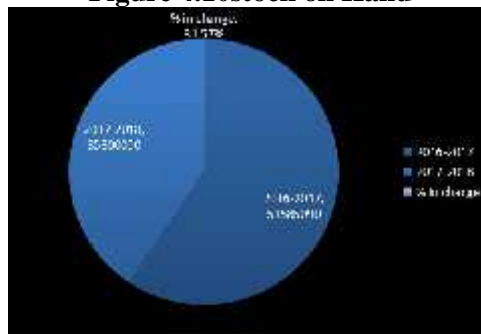
Particulars	2019-2020	2020-2021	% In Change
Stock In Hand	51585090	35300090	31.57%

Sources: Annual Report

Analysis:

From the above table it is clear that the stock on hand is been decreased in the year 2019-2020 compared to the year 2020-2021. Stock on hand is decreased by 35300090 in the year 2020-2021 compared to the year 2019-2020 that is 51585090. In the year 2020-2021 the value is decreased by 31.57%.

Figure 4.10 stock on Hand



Interpretation:

The chart represents that in the year 2019-2020 the value of stock on hand was more, but in the year 2020-2021 the value of stock on hand is been decreased. The company should increase its stock to increase its short term solvency.

Table - 4.11: Sundry Debtors

Particulars	2019-2020	2020-2021	% In Change
Sundry Debtors	43846778	53045774	20.98%

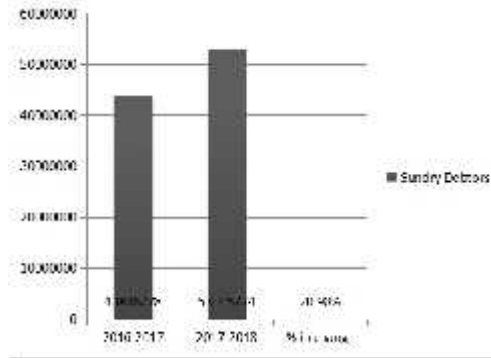
Sources: Annual Report

Analysis:

From the above table it is clear that the sundry debtors has been increased in the year 2019-2020 by 53045774 compared to the year 2020-2021 that was 43846778. In the year 2020-2021 the sundry debtors was increased by 20.98%.



Figure 4.11 Sundry Debtors



Interpretation:

The above chart represents the increase or decrease in sundry debtors. In the year 2020-2021 there was an increase in sundry debtors, compared to the year 2019-2020. This shows the working capital position of the company is good.

Table - 4.12: Cash in Hand

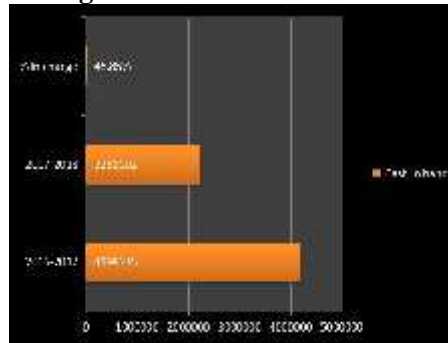
Particulars	2019-	2020-2021	% In Change
Cash In Hand	4198235	2331502	46.85%

Sources: Annual Report

Analysis:

From the above table it is observed that cash in hand is been decreased in the year 2020-2021 compared to the year 2019-2020, in the year 2020-2021 the cash in hand is 2231502 and in the year 2019-2020 it was 4198235. In the year 2020-2021 cash in hand was decreased by 46.85%.

Figure 4.12 Cash In Hand



Interpretation:

From the above chart it is clear that the cash in hand in the year 2020-2021 is been decreased when compared to the year 2019-2020. So, the company should increase its cash position in the company to get more profitability efficiency.

Table - 4.13: Bank Account

Particulars	2019-2020	2020-2021	% In Change
Bank Account	3459358	19012216	45.04%

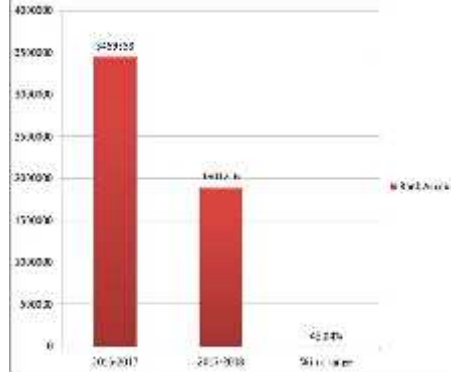
Sources: Annual Report



Analysis:

From the above table it is clear that in the year 2020-2021 the bank balance is been decreased by 1901216, compared to the year 2019-2020 that was 3459358.in the year 2020-2021 the value was decreased by 45.04%.

Figure 4.13 Bank Account



Interpretation:

The above table represents the increase or decrease in the bank account. In the year 2020-2021 the value of bank account has been decreased. So, the company should increase its bank balance to increase in its cash position.

Table - 4.14: Deposits

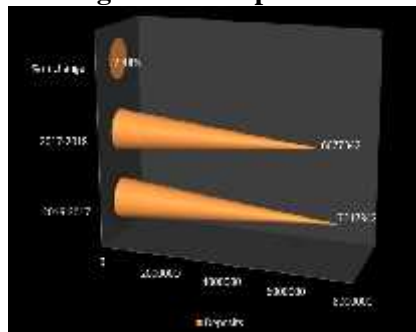
Particulars	2019-2020	2020-2021	% In Change
Deposits	7217342	6677342	7.48%

Sources: Annual Report

Analysis:

From the above table it is clearly stated that the deposits have been decreased in the year 2020-2021 by 6677342 compared to the year 2019-2020 that was 7217342. In the year 2020-2021the value is decreased by 7.48%.

Figure 4.14 Deposits



Interpretation:

The above chart represents the deposits of two years. There is decrease of deposits in the year 2020-2021 compared to the year 2019-2020. So, the company is suggested to increase its deposits which can lead to increase in more profit for the company.



Table - 4.15: Loans And Advances

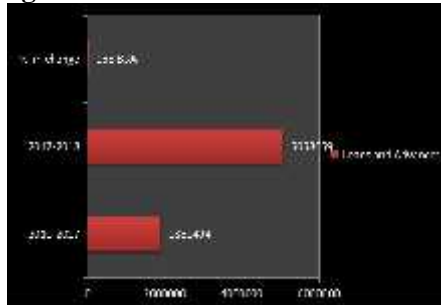
Particulars	2019-2020	2020-2021	% In Change
Loans And Advances	1881494	5058059	168.83%

Sources: Annual Report

Analysis:

From the above table it is clearly starting that there is an increase in loans and advances in the year 2020-2021 by 5058059, as in the year 2019-2020 the loans and advances was 1881494. In the year 2020-2021 the value was increased by 168.83%.

Figure 4.15 Loans And Advances



Interpretation:

From the above chart it represents the increase or decrease in loans and advances. In the year 2020-2021 the loans and advances has been increased, compared to the year 2019-2020. So, there is an increase in the short term solvency which can lead in increase of the profits of the company.

Table: Current Liabilities

Table - 4.16: Sundry Creditors

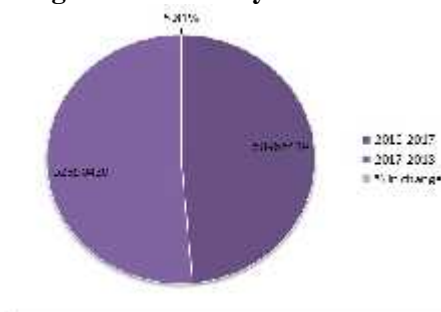
Particulars	2019-2020	2020-2021	% In Change
Sundry Creditors	58966419	62390420	5.81%

Sources: Annual Report

Analysis:

From the above table it is clear that the sundry creditors has been increased in the year 2020-2021 by 62390420, compared to the year 2019-2020 that was 58966419. In the year 2020-2021 the value is increased by 5.81%.

Figure 4.16 Sundry Creditors





Interpretation:

The above chart represents that there is an increase of sundry creditors in the year 2020-2021, compared to the year 2019-2020. So, the company should decrease in the value of the liability to ignore the credit balance and to keep the solvency in a good position.

XI. Findings:

- It is analysed that current assets like sundry debtors, loans and advances are been increased where short term liquidity can be increased of the company.
- It is clear that that current assets like stock on hand, cash in hand, bank account, deposits are been decreased which can affect the efficiency the company.
- From the study it is analysed that the current liabilities are been increased which can affect the company efficiency, by decreasing profit.
- Secured loans are been decreased which will help the company to decrease it creditability and increase in assets.
- Unsecured loans are been increased which can lead to more creditability for the company.

XII. Suggestions:

- Further increase in the fixed assets can save a company from debt problems or it may act as a financial aid.
- It is suggested for the company to maintain the level of current assets to increase the short term efficiency.
- It is advisable for the company to decrease the liabilities, so that the profitability can be increased.

Conclusion:

The study has been conducted to study about assets and liability management in the company. In order to increase profit, the management has to take necessary steps to reduce expenditure.

The management has to conduct regular research to know the needs of the customers, so they can provide quality service to satisfy their needs. In this way, the company can increase its overall profitability.

Reference

Books:

- M.N. Arora “Cost Accounting “ (M.Com, FCMA)Himalaya Publishing House limited ISBN 978-93-5202-136-9,Mumbai.
- Kundan’s Handbook.

Annual Reports:

- Balance Sheet.