

# AN AFTERMATH OF REVENUE UTILISATION IN AN EDUCATIONAL INSTITUTE

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## ABSTRACT

Education is one of the basic necessities for development of any nation at economic, cultural, political and social level. Rapid changes and its adoption according to changing circumstances are required in education system for better economic growth. Education is a public good which constructs a diverse variety of and massive magnitude of externalities. Externalities are produced by education includes improvement in health, balance in growing population, economic growth, improvement in income distribution, reduction in crime and even dynamic externalities which are necessary for technical progress and economic growth. The present study aims to evaluate the pattern and trend of revenue nature income and expenditure of Panjab University, Chndigarh. The sample size of the study covered 15 years starting from 2002-2003 to 2016-2017. Data was collected from the main library of Panjab University, Chandigarh as a means of secondary source. Secondary data includes revenue nature income and expenditure under different categories of the Panjab University for the specified time period. Descriptive statistics have been used to analyse the data. Linear Regression Compound annual growth rate also has been calculated to know the growth rate through SPSS software. CAGR had resulted into significant growth rate in all over the years.

**KEYWORDS:** Education, Growth, CAGR, Descriptive, Significant.

## INTRODUCTION

Education is the backbone for a dynamic democracy in which all residents play an important role in internal advancement of the country and productive role in the world economy. Quality education lays foundation for expansion in productivity, incomes and job opportunities.

**“Financial management of an educational institute is an integral part of the overall management. It is sub function of total management and it includes proper allocation and effective utilization of financial resources.”**

A sound higher education sector assumes an imperative role in monetary development and advancement of a country. It is the most important means to develop individual's intellectuals and hidden talents to bring about desired social reforms in this fast changing world. Higher education, regarding its pertinence, enjoys a significant position in the societal framework as it outfits individuals with fitting learning and aptitudes to be productively utilized in the society. India has one of the largest systems of higher education in the world offering facility of education and training in almost all aspects of human inventiveness and scholarly endeavor.

## REVIEW OF LITERATURE

**D. Jha (1974)** found in a study on Patna University that when it became a teaching-cum-residential university in 1952, the expenditure increased. Government grants were main source and in 1964-65 themselves there was a deficit of funds. The Finance Committee failed to function properly due to lack of financial rules. **D.M. Nanjundappa (1975)** analysed finances of Karnataka University and found State Government financed up to 54 per cent and the income from fees was 35 per cent. There was decline in per capita grants. The per capita expenditure was Rs.80 in 1949- 50 and it was Rs.3306 in 1972-73. There was

increase in expenditure, especially in academic departments but still the grants for teaching staff were only 13 per cent. There was need for imposing utmost economy of expenditure. **Panchmukhi (1975)** found that Students fees and funds was the major source of financing in higher education, although its proportion was continuously decreasing with the increase in the government's contribution to higher education. It also recommended that government should minimize their role in financing except the necessary, i.e. only for the students belonged to under-privileged classes. And to cover the cost of education, he suggested that fee rates should be fairly high. **Mathew (1980)** showed a detailed analysis of the Receipts and Expenditures of Kerala University for the year 1974-75. Out of total revenue of Rs. 192.2 lakh, Rs. 95.5 lakh (50 per cent) were accounted by the examination fee and Rs. 80.8 lakh (42 per cent) by the public grants. Further, the bulk of public grants (80 per cent) came from the state government. Out of total expenditure of Rs. 229.1 lakh (25.6 per cent) incurred on the general administration, Rs. 53.1 lakh (32.2 per cent) on the examination work and Rs. 42.1 lakh (18.3 per cent) on the departments for study and research.

## RESEARCH METHODOLOGY

### OBJECTIVES OF THE STUDY

The present study attempts:

- ❖ To study the pattern of revenue receipts and expenditures under various heads.

### SAMPLE SIZE AND DATA COLLECTION

The sample size of the study was 15 years starting from 2002-2003 to 2016-2017. The present study is based on secondary data. Secondary data includes revenue nature income and expenditure of the Panjab University, Chandigarh for specified time period. Secondary data was collected from the University Grants Commission (UGC), Ministry of Human Resource Development (HRD), Government of India and Punjab Government, various bodies providing research grants to the university, university budgets and manuals.

### TOOLS AND TECHNIQUES

Data was analyzed with the help of different statistical tools and techniques. A set of simple techniques of statistical analysis such as descriptive statistics was used. Linear regression CAGR has been calculated to know the overall growth rate for the specified time period of the study.

### DATA ANALYSIS AND INTERPRETATION

#### REVENUE RECEIPTS

This section shows the result of trend and pattern of revenues receipts. Results explained with the help of descriptive statistics, tables and graphs that make the data more understandable.

*Table No-1*

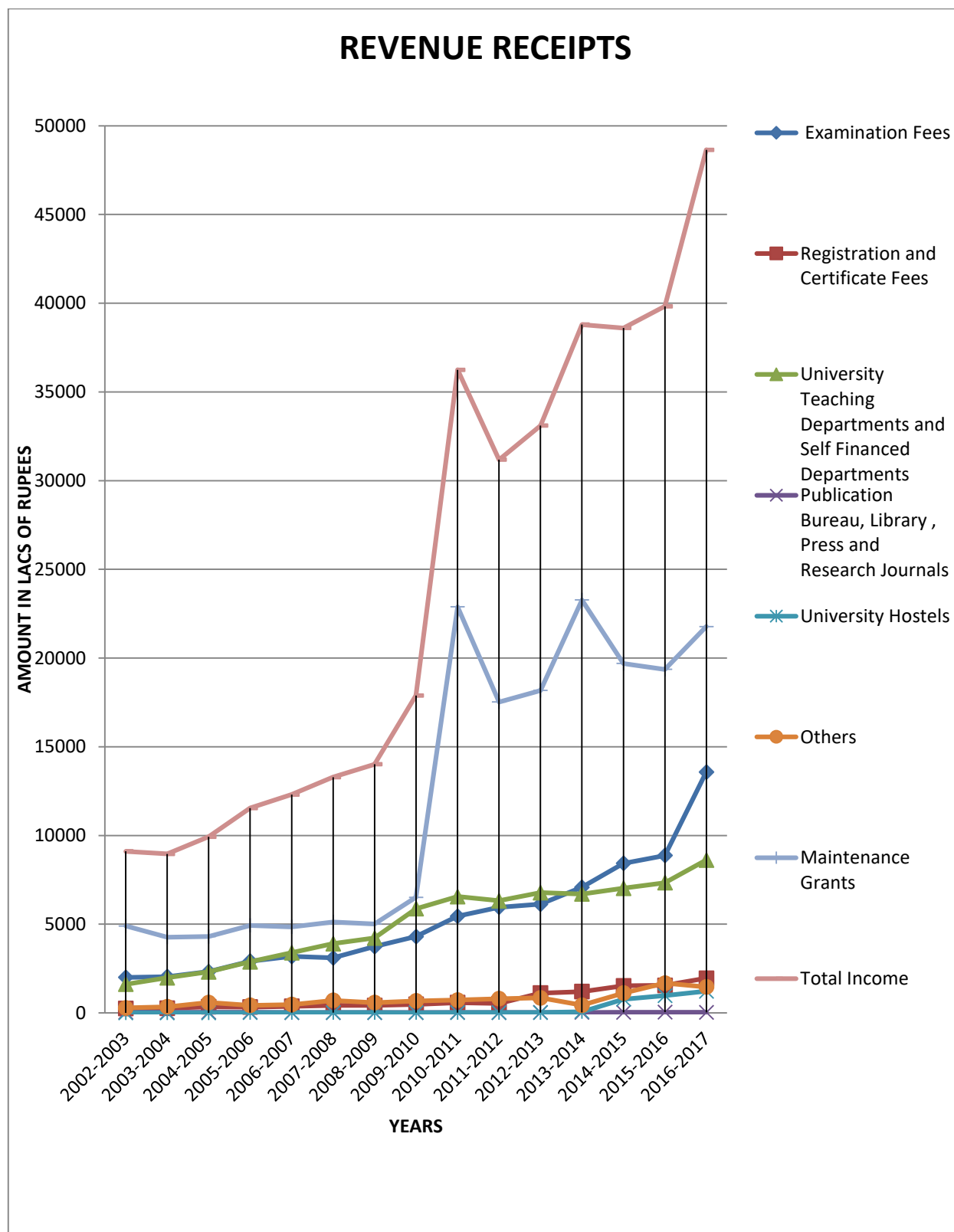
Years	Examination Fees		Registration and Certificate Fees		University Teaching Departments and Self Financed Departments		Publication Bureau, Library, Press and Research Journals		University Hostels		Others		Maintenance Grants		Total Income
	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.
2002-03	2003.55	22.00	246.66	2.71	1618.56	17.77	46.01	0.51	5.93	0.07	283.37	3.11	4902.33	53.83	9106.41
2003-04	2045.94	22.82	270.19	3.01	1986.15	22.15	37.07	0.41	7.70	0.09	347.72	3.88	4270.86	47.64	8965.63
2004-05	2327.43	23.44	347.49	3.50	2313.19	23.30	42.27	0.43	4.98	0.05	587.30	5.92	4306.30	43.37	9928.96
2005-06	2914.44	25.24	330.00	2.86	2884.29	24.98	38.34	0.33	14.93	0.13	426.29	3.69	4936.53	42.76	11544.82
2006-07	3186.84	25.89	374.73	3.04	3393.65	27.57	17.45	0.14	19.81	0.16	467.91	3.80	4850.00	39.40	12310.39
2007-08	3103.44	23.35	420.00	3.16	3905.11	29.38	17.84	0.13	17.04	0.13	701.26	5.28	5125.44	38.57	13290.13
2008-09	3738.19	26.67	418.13	2.98	4221.53	30.12	18.48	0.13	17.64	0.13	582.63	4.16	5020.26	35.82	14016.86
2009-10	4302.67	24.05	482.34	2.70	5871.78	32.82	20.70	0.12	16.78	0.09	678.23	3.79	6520.00	36.44	17892.5
2010-11	5453.13	15.04	581.31	1.60	6556.39	18.09	27.98	0.08	17.96	0.05	722.80	1.99	22886.92	63.14	36246.49
2011-12	5956.17	19.10	530.44	1.70	6325.23	20.28	23.24	0.07	22.06	0.07	798.77	2.56	17525.98	56.21	31181.89
2012-13	6128.53	18.51	1120.33	3.38	6778.77	20.48	27.31	0.08	19.44	0.06	849.90	2.57	18177.46	54.91	33101.74
2013-14	7085.77	18.26	1200.26	3.09	6702.08	17.27	27.78	0.07	71.19	0.18	432.70	1.12	23276.73	60.00	38796.51
2014-15	8432.84	21.84	1524.49	3.95	7030.35	18.21	32.93	0.09	771.10	2.00	1118.96	2.90	19695.20	51.02	38605.87
2015-16	8872.64	22.28	1557.18	3.91	7337.33	18.42	39.56	0.10	973.58	2.44	1677.88	4.21	19366.87	48.63	39825.04
2016-17	13578.51	27.91	1956.44	4.02	8618.57	17.72	33.71	0.07	1221.02	2.51	1466.30	3.01	21773.00	44.76	48647.55
CAGR	13.65%		16.04%		12.09%		-0.72%		42.04%		9.93%		15.87%		14.51%

## FINDINGS OF THE STUDY

- ❖ This table no-1 depicts data regarding revenue receipts of Panjab University Chandigarh for the concerned time period. The major source of funds comes from the maintenance grants i.e more than 35% of the total income every year for the specified time period with the minimum value of 4270.86 for the year 2003-2004 and the maximum value of 23276.73 for the year 2013-2014 with the linear regression CAGR of 15.87%.
- ❖ The second major source of revenue receipts comes from university teaching department and self finance department i.e. more than 17% of the total income with the minimum value of 1618.56 for the year 2002-2003 and the maximum value of 8618.57 for the year 2016-2017 with the linear regression CAGR of 12.09% of the total income every year for the specified time period.
- ❖ The third major source of revenue receipts comes from examination fees i.e. more than 15% of the total income with the minimum value of 2003.55 for the year 2002-2003 and the maximum value of 13578.51 for the year 2016-2017 with the linear regression CAGR of 13.65%.
- ❖ After that registration and certificate fees with the revenue receipts of more than 1.60% of the total income every year with the minimum value of 246.66 for the year 2002-2003 and the maximum value of 1956.44 for the year 2016-2017 with the linear regression CAGR of 16.04%.
- ❖ Further, revenue receipts from others category has 1% of the total income every year with the minimum value of 283.37 for the year 2002-2003 and the maximum value of 1677.88 for the year 2015-2016 with the linear regression CAGR of 9.93% .

- ❖ Revenue receipts from publication bureau, library, press and research journals has 0.07% of the total income every year with the minimum value of 17.45 for the year 2006-2007 and the maximum value of 46.01 for the year 2002-2003 with the negative CAGR of (0.72%).
- ❖ In the end, university hostels category of revenue receipts has more than 0.05% of the total income every year with the minimum value of 4.98 for the year 2004-2005 and the maximum value of 1221.02 for the year 2016-2017 with the linear regression CAGR of 42.04%.

**GRAPHICAL REPRESENTAION OF REVENUE RECEIPTS**



## REVENUE EXPENDITURES

This section shows the result of trend and pattern of revenue expenditures. Results explained with the help of descriptive statistics, tables and graphs that make the data more understandable.

Table No-2

Years	Salary		Retirement and Pension		Administrative		Conducting Examinations		Library		Scholarships		Travel		Medical Claims		Maintenance of Equipments		Others		Total Expenditures
	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.	% to the total	Amt in lac of Rs.
2002-03	6587.06	77.57	0.00	0.00	606.91	7.15	473.51	5.58	160.61	1.89	26.38	0.31	25.86	0.30	133.32	1.57	353.68	4.17	124.37	1.46	8491.70
2003-04	6973.85	77.01	0.00	0.00	794.19	8.77	561.43	6.20	161.56	1.78	25.79	0.28	26.87	0.30	139.30	1.54	271.04	2.99	101.73	1.12	9055.76
2004-05	7500.41	77.32	0.00	0.00	821.57	8.47	598.78	6.17	182.31	1.88	26.36	0.27	43.46	0.45	172.88	1.78	254.24	2.62	100.94	1.04	9700.95
2005-06	7806.69	67.00	1000.00	8.58	411.09	3.53	725.22	6.22	170.91	1.47	28.09	0.24	50.01	0.43	191.94	1.65	1225.14	10.51	42.66	0.37	11651.75
2006-07	8676.12	67.74	1000.00	7.81	892.65	6.97	733.31	5.73	192.55	1.50	35.91	0.28	22.65	0.18	188.73	1.47	1016.09	7.93	49.25	0.38	12807.26
2007-08	9851.91	73.72	1000.00	7.48	808.89	6.05	800.25	5.99	205.21	1.54	39.38	0.29	40.33	0.30	195.62	1.46	380.15	2.84	41.76	0.31	13363.50
2008-09	11381.96	75.82	1000.00	6.66	940.99	6.27	801.51	5.34	137.24	0.91	47.76	0.32	49.27	0.33	246.19	1.64	370.60	2.47	36.49	0.24	15012.01
2009-10	13704.61	76.04	1000.00	5.55	783.41	4.35	987.50	5.48	309.79	1.72	50.06	0.28	49.54	0.27	251.77	1.40	830.09	4.61	57.21	0.32	18023.98
2010-11	26231.07	84.25	1624.00	5.22	973.85	3.13	1150.95	3.70	273.39	0.88	87.22	0.28	54.00	0.17	313.21	1.01	138.89	0.45	289.13	0.93	31135.71
2011-12	19152.54	71.66	3393.10	12.69	951.93	3.56	1271.52	4.76	323.42	1.21	141.26	0.53	17.14	0.06	384.29	1.44	566.28	2.12	526.70	1.97	26728.18
2012-13	21079.99	69.61	4490.64	14.83	1053.87	3.48	1851.45	6.11	356.70	1.18	128.38	0.42	33.99	0.11	374.25	1.24	512.59	1.69	401.80	1.33	30283.66
2013-14	23651.11	68.63	5586.11	16.21	914.51	2.65	2198.54	6.38	374.44	1.09	160.69	0.47	108.15	0.31	346.98	1.01	582.79	1.69	539.12	1.56	34462.44
2014-15	26070.14	64.40	7640.86	18.87	1275.96	3.15	2590.08	6.40	610.38	1.51	237.07	0.59	31.03	0.08	361.37	0.89	586.67	1.45	1078.67	2.66	40482.23
2015-16	27742.61	64.30	8023.29	18.60	1313.31	3.04	2854.65	6.62	655.06	1.52	267.16	0.62	1.99	0.00	405.33	0.94	561.26	1.30	1318.98	3.06	43143.64
2016-17	30709.74	66.41	6686.13	14.46	1407.78	3.04	3226.70	6.98	584.16	1.26	286.88	0.62	37.67	0.08	448.91	0.97	613.19	1.33	2243.09	4.85	46244.25
CAGR	13.13%		26.72%		5.57%		14.95%		11.34%		22.00%		-4.19%		9.19%		2.60%		28.88%		14.29%

## FINDINGS OF THE STUDY

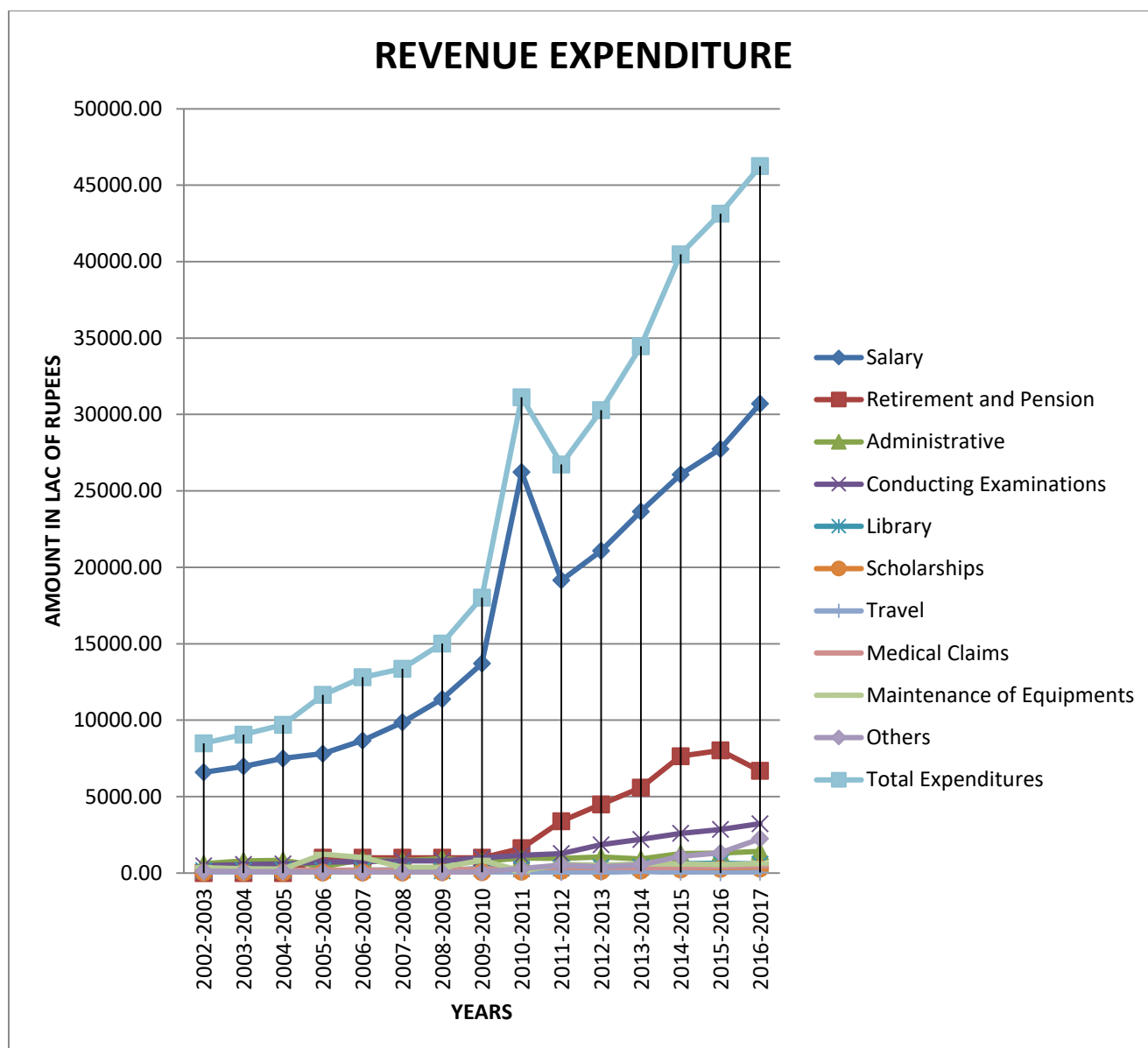
This table no-2 depicts data regarding the revenue expenditure of Panjab University, Chandigarh for the considered time period. The heads of expenditure considered are salary, retirement and pension, administrative, conducting examination, library, scholarships, travel, medical claims, maintenance of equipments and other related expenditure.

- ❖ Salary has been the foremost head under expenditure comprising of more than 64% of the total expenditure with the minimum value of 6587.06 in the year 2002-2003 and maximum value of 30709.74 in the year 2016-2017 with linear regression CAGR value of 13.13%.
- ❖ Under the administrative category, the minimum value is 411.09 in the year 2005-2006 and maximum value is 1407.78 in the year 2016-2017 with linear regression CAGR value of 5.57%.
- ❖ The conducting examination category has minimum value of 473.51 in the year 2002-2003 and maximum value of 3226.70 in the year 2016-2017 with linear regression CAGR value of 14.95%.
- ❖ Furthermore, library category of revenue expenditure has a minimum value of 137.24 in the year 2008-2009 and maximum value of 655.06 in the year 2015-2016 with linear regression CAGR value of 11.34%.
- ❖ Under the scholarship category, the minimum value is 25.79 in the year 2003-2004 and maximum value is 286.88 in the year 2016-2017 with linear regression CAGR value of 22.00%.
- ❖ Under the travel category, the minimum value is 1.99 in the year 2015-2016 and maximum value is 108.15 in the year 2013-2014 with linear regression CAGR value of (4.19%).
- ❖ Further, the medical claims has the minimum value of 133.32 in the year 2002-2003 and the maximum value of 448.91 in the year 2016-2017 with the linear regression CAGR value of 9.19%.
- ❖ Maintenance of equipments has the minimum value of 138.89 in the year 2010-2011 and the maximum value of 1225.14 in the year 2005-2006 with the linear regression CAGR value of 2.60%.
- ❖ In the end, other expenditures has the minimum value of 36.49 in the year 2008-2009 and the maximum value of 2243.09 in the year 2016-2017 with the linear regression CAGR value of 28.88%.

#### GRAPHICAL REPRESENTATION OF REVENUE EXPENDITURES







## CONCLUSION AND IMPLICATIONS

The study emphasis on the optimum utilisation of revenue income under the specified categories. The calculated linear regression compound annual growth rate value is significant. The plotted graphs as per the data tables show a linear grown pattern of revenue receipts and expenditures. Both the graphs of revenue income and revenue expenditure are found to be positively correlated by the means of scattered diagram which signifies that expenditure is done as per the income allocated.

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