

**Budgetary Practices in Selected Public Enterprises of
Bangladesh: An Evaluation of their Effectiveness**

Ph. D. Dissertation

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March 31, 2024

DECLARATION

I do hereby declare that the dissertation titled on

“Budgetary Practices in Selected Public Enterprises of Bangladesh: An Evaluation of their Effectiveness”

for the award of the degree of Ph. D. is my original works and it has not been submitted partly or fully to any other university or institutions for pursuing any degree or diploma or any other academic purpose and not submitted to similar title.

The entire work has been prepared, planned and carried out by me under the supervision of humble supervisors - **Professor Md. Nazim Uddin Bhuiyan, FCMA.**

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is an original research work accomplished by Mohammad Zamir Uddin Sikder bearing main Registration no # 43/2012-2013, Re-Registration no # 118/2017-2018, and Session 2017-18 in the Department of Accounting & Information Systems, Faculty of Business Studies, University of Dhaka. The dissertation represents an independent and original work and personal achievement of the candidate. The findings and views expressed in the dissertation, originated from both primary and secondary data are entirely his contribution. He has prepared this dissertation under my supervision and guidance.

The dissertation has not been submitted to any other university or institutions for pursuing Ph. D. Degree or any other academic purpose or for other similar title.

The dissertation is, therefore, recommended and forwarded to the concerned authority to evaluate for awarding the Degree of Doctor of Philosophy in the Department of Accounting & Information Systems, University of Dhaka.

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TO

My Mother Mrs. Shahajahan Begum

and

Father Late Raza Meah Sikder

&

My Honorable Favorite Teacher

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Abstract

Public Enterprises are dominant agents in the production sector of Bangladesh. After independence, from 1972 these enterprises or corporations were sole manufacturing firms in the leading Public Sector of the country. From the beginning of 1980s, Public Enterprises were also important in the competitive scenario of Public and Private sectors of the country. Public Enterprises were the members of total economy of the pre-independence period and were sole agents in the post-independence period. Till now these holds dominant share of the industrial and financial sectors of the economy.

The financial performances of the Public Enterprises were not satisfactory from the very beginning. In most of the cases, they are continuously subsidized from the national exchequer to meet their losses. For social and political reasons, disinvestment and denationalization of those enterprises failed in the 1980s and in the 1990s. To streamline national economy, the financial performances of the Public Enterprises need to be addressed to improve with adequate research. The major determinants of the financial performances of the Public Enterprises are budgeting and budgetary control.

This study was launched to explore the current budgetary practices and analysis of its effectiveness of the public enterprises in Bangladesh. This study was completed by reference to expectancy theory and institutional theory, using qualitative and quantitative methods to investigate, and collecting both primary and secondary data to reach to objectives. The main purposes of this study were set to see the regulatory framework and other guidelines for preparing the budget, its implementation by the selected public enterprises of Bangladesh, efficiency of the budgeting system followed, bottlenecks in the current budgetary practices, ways and means of removing those bottlenecks, analyse the internal and external sources of

funds, and application process in the public enterprises of Bangladesh, budget variances and deficits of public enterprises and ways of overcoming those.

This study reveals that all the selected public firms have regulatory framework and guidelines framed by the relevant authorities, both efficient and inefficient budgeting practices in public firms, managing ways of bottlenecks, uses of both internal and external sources of funds efficiently, and all the firms efficiently manages the budget variances and deficits. This study also confirms that all findings support at least one theory either institutional theory or expectancy theory. This study will help the practitioners and academicians to understand the current budgeting practices of public enterprises in Bangladesh and their effectiveness. In this study I have formulated eight (8) null hypotheses and corresponding alternative hypotheses. On the basis of questionnaire survey, focus group discussion and opinion survey all null hypotheses were not true but all alternative hypotheses were proven true.

Bangladesh is an emerging Asian economy which grew at an accelerated rate of 8% in recent years. Per capita income in nominal US \$ (dollars) increased from \$ 576 in 2009 to \$ 2,765 in 2024. Bangladesh is out performing India in health and human capital development. She achieved record in reducing economic vulnerability in the last decade. Public enterprises are playing very important role in the sustainable development process of Bangladesh. There are 46 government-owned enterprises operating successfully in Bangladesh. In my study I have selected 7 public enterprises and 3 private organizations to study the effectiveness of their budgetary practices. Both primary and secondary data sources have been used. I have conducted semi-structured interview with the CFO and other two officers at each public enterprise selected for the study. This data has been summarized and analyzed through content analysis. For studying the budgetary practice effectiveness, I have conducted opinion

survey with 30 officers, and senior officers of selected public enterprises and 3 private organizations. I have got 100% response from the respondents. The answer of these respondents was analyzed by using descriptive statistics, such as frequencies, average value, maximum and minimum value of their responses.

Their feedback or opinion has been evaluated or assessed by using 5-point Likert Scale. There are twenty statements which have been presented before them (30 respondents), who then have expressed their opinions on these 20 statements. Then I have analyzed these by using SPSS. I have also collected the budget data and actual figures and calculated the variance of the selected 7 public enterprises and 3 private organizations in Bangladesh.

The findings of the study of all 7 public enterprises have effective and efficient budgetary practices. Three (3), private organizations also have effective budgetary practices. But for private organizations there is no legal framework for monitoring the effectiveness of budgetary practices. They have budget calendar, budget committee, due approval process in all 7 selected public enterprises in Bangladesh.

Since the development process is accelerated through the activities of 46 public enterprises in Bangladesh, their budgetary practices are quite effective. All organizations are playing an important role in the developing process.

Budget is a quantitative expression of plan. It is a tool for future planning. Budgeting is the tool of management for performance measurement and standard for control. Modern budgetary practices also recognize the human behavior aspects of budget through participatory approach model of budgeting.

This study explores the current budgetary practice of seven (7) public enterprises and Three (3) private enterprises in Bangladesh based on expectancy theory and institutional theory.

The study used both quantitative data and qualitative data from both primary source and secondary sources. They use both internal and external sources of funds for financing budget deficit. The study also confirms that all findings support at least one theory. The budget variance analysis reveals the favorable and unfavorable variance of the selected 7 enterprises. The study would help the practitioners and academicians to understand the current budgeting practices of public as well as private enterprises in Bangladesh.

After analyzing the quantitative and qualitative data I have found that the budgetary practices are quite effective for both public and private enterprises in Bangladesh but it is more effective for private enterprises.

List of Acronyms

ADB	Asian Development Bank
ADP	Annual Development Programme
AF	Adaptation Fund
BCCRF	Bangladesh Climate Change Resilience Fund
BCCSAP	Bangladesh Climate Change Strategy and Action Plan
BCCTF	Bangladesh Climate Change Trust Fund
BIFFL	Bangladesh Infrastructure Finance Fund Limited
BOI	Board of Investment
CCM	Country Coordination Mechanism (of GFATM)
CFF	Climate Fiscal Framework
CIF	Climate Investment Fund
CPEIR	Climate Public Expenditure and Institutional Review
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee (OECD)
DFA	Development Finance and Aid Assessment
DP	Development Partner

EEP	External Economic Policy
EPZ	Export Processing Zone
ERD	Economic Relations Division
FDI	Foreign Direct Investment
GAVI	Global Alliance for Vaccine and Immunization
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFATM	Global Fund for Aids, Tuberculosis and Malaria
HDI	Human Development Index
IBAS	Integrated Budget and Accounting System
ICC	Inter-Agency Coordination Committee
ICCTF	Indonesia Climate Change Trust Fund
IDA	International Development Association
IFC	International Finance Corporation
INFS	Integrated National Financing Strategy
INGO	International Non-Governmental Organization
JEC	Joint Economic Commission
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
LMIC	Lower Middle-Income Country
MDG	Millennium Development Goal
MIE	Multilateral Implementing Entity
MoEF	Ministry of Environment and Forestry
MRA	Microcredit Regulatory Authority
MSME	Micro, Small and Medium Enterprises
MTBF	Medium Term Budget Framework
MTDS	Medium Term Debt Strategy
MTSBP	Medium Term Strategy and Business Plan
NBFI	Non-Bank Financial Institution
NBR	National Board of Revenue
NGO	Non-governmental Organization
NIE	National Implementing Entity
NSD	National Savings Directorate

ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PEFA	Public Expenditure and Financial Accountability
PKB	Probasi Kallyan Bank
PPCR	Pilot Programme of Climate Resilience
PPP	Public-Private Partnership
RIE	Regional Implementing Entity
RMG	Readymade Garments
SAARC	South Asian Association for Regional Cooperation
SDG	Sustainable Development Goal
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
SSC	South-South Cooperation
SSTC	South-South and Triangular Cooperation
SWF	Sovereign Wealth Fund
TCS	Technical Cooperation Scheme
TOSSD	Total Official Support for Sustainable Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
VAT	Value-added Tax
WIPO	World Intellectual Property Organization
WRI	World Resources Institute
PBS	Palli Bidhut Samittee

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Chapter: 1

INTRODUCTION

1.1 Introduction

Budget is a basic and an essential process that assists businesses to attain many goals in the course of their operations. An organization has many goals to be successful. These goals encompass control, evaluation, planning, communication and motivation. Budgeting is a process of planning the financial operations of a business (Kariuki, 2010). It is a financial tool and is useful for both evaluation and control of future actions. Budget as management tools can greatly influence the performance of a company (Larson, 1999). Budget is a set of guidelines for those who perform and tools of control for those who supervise. In other words, budget is a link, combining goal- setting and goal-achieving machines (Dunbar 1971). There is another aspect of budgetary control which is rather psychological. Festinger (1957), Brehem and Cohen (1962) observed that- goals must not only be set but also achieved. The critical step between the setting of a goal and its achievement is the acceptance of the goal by the goal- achieving machine, that is, the budget related individuals. So, it is assumed that if the budgeted individuals can be persuaded to accept the budgeted goals, it can be expected that the goals will be reached or to bring performance as close to it as the environment would allow. The functionality, usefulness, effectiveness and benefits of budget cannot be over emphasized.

In a growing and competitive market, the needs for proper planning, right goal setting, exercising control, facing rivals and increasing profitability demand the use of budget and thus, its importance is undeniable. In Bangladesh, the practice of budget in public enterprises is both traditional and formal. Government prepares and declares budget every year. Government's financial policies are formulated and designed in line with budgetary allocations. No doubt, proper budgetary practices can, to a large extent, help to achieve smooth and effective operations. The present study has been initiated and designed to assess the state of budgetary practices in seven (7) public enterprises in Bangladesh. Accordingly,

attempts were made to ascertain the attitudes of the management towards budgetary practices in general. It was also aimed to focus on budget preparation process, its effective implementation, proper monitoring and feed-back process, performance measurement, variance analysis and cost control effectiveness.

1.2 Background of the Study

A budget is a written expression of company's plans, goals, and targets for a specific period of time that includes all aspects of the business. Every public or private organization creates a budget to meet its aims and objectives. Budgets provide businesses' control over their environment and operations help them managing the financial aspects of their actions and plans, as well as deal with any problems that arise. The primary goal of budgeting is to create business's accountability. As a result, the word "budgetary control", is frequently used to refer to the complete system of resource allocation, monitoring, and evaluation.

Budgeting strategies aim to achieve a variety of goals, including increased budget openness and punctuality, enhanced revenue projection accuracy, and efficient governance or logic in fund distribution (Alderete, 2007: v).

There are few studies directly on budgeting process or practices in the public enterprises of Bangladesh (e.g., Hoque and Hopper, 1994; Alam, 1997; Hakim and Bhuiyan, 2003). Some other studies have considered budgetary practice in public enterprises, but in a different context, e.g., Uddin and Hopper (2001) have considered budget in the public enterprises of Bangladesh as a control tool among other things with reference to privatization of those enterprises. The study by Hakim and Bhuiyan (2003) has found the effectiveness of budgetary control system in cases of only half of the sample textile mills. The volume of cumulative losses in public enterprises in general, and in non-financial (manufacturing) public enterprises in particular, is so huge that it is questionable whether the budgetary practices are at all effective in those enterprises. This study is intended to fulfill the research

gap by focusing on this particular aspect on effectiveness of budgetary practices per se in the non-financial public enterprises in Bangladesh.

1.3 Definitions of Important Terms on Public Enterprises' Budget

1.3.1 The Public Enterprises

A public enterprise is owned entirely or partially by the government and is governed by a public body. Many public companies are taken over by the government because it is felt that the service or product must be delivered by a government monopoly for societal reasons and common good. This type of government enterprise includes utilities (gas, electricity, etc.), broadcasting, telecommunications, and various modes of transportation. In Bangladesh, government enterprises include corporations created in 1972 under the Nationalization Policy after the independence. These were 36 corporations created to take over abandoned and nationalized businesses, and industries created as a preliminary step to establishment of Socialism.

Most forms of production, commerce, and finance belong to the state in socialist countries, and there is a strong public-enterprise sector in many new nations and developing countries.

A massive nationalization program encompassing coal mining, iron and steel industry, gas industry, railways, and long-distance road transport were implemented by the Labour Administration (in the UK) from 1946 to 1950. Many public firms were privatized during Prime Minister Margaret Thatcher's Conservative Rule (1979–90, UK). Following WWII, the French Government embarked on a massive nationalization drive that included banks, insurance companies, financial institutions, and manufacturing firms. Many of them were later privatized.

Public enterprises are supposed to serve the public good. This causes a slow trend of organizational and commercial performances of public enterprises. One issue is finding a way to balance the requirement for tight political control with the need for adequate managerial autonomy. Any special act of parliament establishes the public corporation, which is widely used in the United Kingdom (UK) and widely replicated in other areas of the world. It outlines the corporation's functions, governance structure, and connection with government entities.

Although public companies are often meant to pay for themselves and the nation over time. They are subject to political constraints in their pricing strategy that contradict with this goal. In contrast, they may obtain covert subsidies or special protection, not available to competitors for social reasons. When it generates a marketable product that competes with other products, such as coal or steel, the standard commercial criterion of profit may be used to evaluate its performance. Economists have created concepts like cost-benefit analysis as a performance measuring tool in the situation of a utility with monopolistic power. Many state-owned firms in the industrialized world have been given financial aims that include both social and commercial goals in recent years.

1.3.2 Preparation of the Budget of Public Enterprises

Many government agencies create budgets to use as a point of comparison when assessing their actual results for the coming year. The process of creating a budget should be highly structured and adhere to a fixed timeline, so that the finished budget is available to use before the start of another budgetary year.

1.3.3 History of Budgeting of Public Enterprises

As per we know from the literature, Sir Robert Walpole, as Chancellor of the Exchequer, pioneered in presenting budgets and fiscal policy to parliament in an attempt to restore public confidence following the havoc wreaked by the bursting of the South Sea Bubble in 1720. Thirteen years later, Walpole disclosed his budgetary plan to impose a taxes on the usage of a range of products and services, including wine and tobacco, in order to relieve the landed aristocracy of their financial burden. This sparked public indignation, with Whig Peer William Poultney writing a booklet titled, “The Budget Opened, or an Answer to a Pamphlet”, in which he slammed the government. The first time the word 'budget' was used in connection with the government's fiscal policy in relation to the levies on wine and tobacco. The plan was finally scrapped.

The annual budget account became common practice in the first half of the 18th century, and by the 1760s, it had become well established; in his budget address of 1764 to the House of Commons of Great Britain, George Grenville presented the Stamp Act. Gradually, governmental budget preparation became a regular yearly practice and business companies also started budget preparation, such as Master Budget, Cash Budget, Sales Budget, Production Budget, etc., as planning and control mechanisms. A public enterprise being social service organization started using budget practices, and a private enterprise being commercial one, used budget as planning, motivational and control tool for operational success.

Budget prepared by the government or another political organization details the projected revenues and expenditures for the new fiscal year or any period. The budget is presented to the lower chamber of the legislature in most parliamentary systems, and it frequently requires legislative approval.

1.3.4 Types of Budget used in different Perspectives

Government and Public Enterprises use the following types of budgets:

- **Union budget:** The union budget is the budget that is prepared by central government for the entire country.
- **State budget:** In nations like India, where the government is based on a federal structure, each state produces its own budget, other than federal or central budget.
- **Plan budget:** This is a document that shows the budgetary requirements for major projects, programs, and plans that are part of the country's central plan. It also reflects the federal government's support for states and union territories.
- **Performance budget:** Performance budgets are prepared by central ministries and departments responsible for activities and distributed to members of parliament. These performance budgets outline the government's major projects, initiatives, and activities in light of specific goals and previous year's budget achievements.
- **Supplementary budget:** This budget revises or corrects estimates of revenues and expenditures for the current or previous following fiscal year.
- **A Zero-based budget** is a budgeting method in which each ministry or department must justify its whole budget. It is a budgeting method in which all public spending for each new period must be justified.

Revenues and Costs budget: It is budget for revenues and costs. Revenues and costs are the two most important components of any budget. Revenues are primarily derived from taxes in case of the government. Spending is done on current goods and services, referred to as

government consumption by economists; includes state investment spending, such as infrastructural development assistances for jobless or pension benefits, and all are examples of government expenditures. There's another way to look at budget elements. There are two types of receipts: revenue receipts and capital receipts. Similarly, expenditures are divided into two types: revenue and capital expenditures.

1.3.5 Special consideration

Budgets for public businesses are based on economic, political, and technological factors. They are not totally structured to distribute scarce resources for the optimal economic use, unlike a pure economic budget. They also have a political foundation, with various interests pushing and pulling to acquire benefits and avoid responsibilities.

1.3.6 Classification of budgets by nature

Budget is classified by as three types

(i) A balanced budget is one in which government's receipts equal government expenditures.

(ii) A deficit budget is one in which government's spending exceeds government revenues.

There are three categories of deficits: revenue, fiscal, and main (total).

(iii) A Surplus budget is one in which the government's revenue exceeds its spending.

A budget can be also be divided into two categories:

- function-based budget,
- flexibility-based budget.

1.3.7 Need and importance of a public enterprises' budget

Public Enterprises' budgeting is a topic that is extremely important for a multitude of reasons.

1. A well-thought-out approach to public-sector activity
2. A holistic approach to budgetary management
3. Have an impact on economic activities
4. It is an economic policy instrument
5. Index of public-sector performance
6. Ensuring accountability to the public
7. Resource distribution
8. GDP Growth
9. Poverty eradication
10. Make income distribution more equitable
11. Tax and non-tax receipt.

1.3.8 The basic steps to follow when preparing a budget of a Public Enterprise:

1. Review and update of budget assumptions

A review and update of the assumptions about the entity's business environment are done utilized to create the future budget.

2. Identification of the bottlenecks:

Identify the key bottlenecks and the capacity within that is preventing the company from making extra sales, as well as how this will affect future revenue growth.

3. Funds availability:

Determine the most probable amount of funding necessary during the budget period, which may constrain expansion of ambitions.

4. Step costing points:

Estimate whether any step costs will be incurred during the probable range of business operations in the upcoming budget period, as well as the amount and the activity levels at which these costs will be incurred.

5. Put together a budget package:

Copy and paste the basic budgeting instructions from the previous year's instruction packet. It should be updated to include the current year's year-to-date actual expenditure, as well as annualize this information for the entire current year.

6. Distribute the budget package:

Distribute the budget package to recipients personally, if possible, and answer any questions they may have. Indicate when the first draft of the budget package is due.

7. Obtain a revenue prediction:

Request a revenue prediction from the sales manager, get it validated by the CEO, and then distribute it to the other departmental heads. They build their own budgets using the revenue data as a starting point.

8. Gather departmental budgets:

Collect budgets from all departments in the organization, review them for flaws, and compare them to the bottleneck, financing, and step costing limitations. Make any necessary adjustments to the budgets.

9. Gather capital budget requests:

Review all capital budget request and send them to top level management with thoughtful comments and recommendations.

10. Update the budget model:

Update the master budget model that deals with all budget information and data.

11. Review the budget:

Discussion about the budget with the top management is important highlighting any potential constraint difficulties, as well as any financing limits. Take note of the management team's remarks and provide this information back to the budget preparers with requests to change their budgets.

12. Handle budget iterations:

Keep track of any due budget modification requests and update the budget model when new iterations arrive.

13. Load the budget:

In order to generate budget versus actual reports, you must first load the budget information into the financial software.

14. Issue the budget:

Generate a constrained form of the plan and deliver it to all permitted recipients.

For a small business with only one person involved in the budget preparation process, the levels of processes listed here may be contracted. If this is the case, the number of processes can be considerably reduced, with a preliminary budget potentially being generated in a day or two.

1.4 Statement of the Problem

There are 57 public enterprises; 46 non-financial (manufacturing) enterprises in 7 broad sectors, 4 nationalized commercial banks; 5 development financial institutions; and 2 insurance corporations. Of these enterprises, the performances of the nonfinancial enterprises are more deplorable. As shown in Table-1, in the last year's estimate (2019-20), the volume of what is about Tk. 16,880 core, which is around 1.85 percent of GDP (gross domestic product) of the country.

Table-1: Net Profit/ (Loss) of Non-Financial Public Enterprises (Taka in Core)

Non-Financial SOE Sectors	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Industry	(751.79)	58.33	(307.27)	(527.36)	(482.59)	(227.36)
Utilities	(22.82)	(1,999.94)	546.75	1,492.22	(3,601.78)	(7,261.50)
Transport & Communication	564.92	577.45	3,772.49	2,764.56	3,669.15	6,223.40
Trade	(2,628.14)	(9,552.35)	331.18	(2,043.75)	(8,784.89)	(16,054.51)
Agriculture & Fisheries	(5.97)	(73.22)	(1.39)	(3.86)	14.22	4.22
Construction	252.24	199.83	284.16	309.68	246.09	338.32
Services & Others	315.67	802.63	(1,343.04)	785.06	302.78	96.96
Total Net Profit/(Loss)	(2,275.89)	(9,982.85)	3,282.88	2,776.55	(8,667.03)	(16,880.47)
GDP at current market price	472,477	545,822	614,795	694,324	796,704	914,784
Net Profit/(Loss) as % of GDP	(0.48)	(1.83)	0.53	0.40	(1.09)	(1.85)

Source: Bangladesh Economic Review, 2020.

The present problems of the non-financial public enterprise are as follows:

1. Instability of prices, supply and marketing.
2. Lack of unified policy and coordination between the private and the public enterprises with respect to the public enterprises as regards to production and facing the common problem of competition abroad.
3. Lack of sufficient financial support and incentives from the government.
4. Increasing import tendency.
5. Administrative inefficiency, wastage and unwise use of funds.

The budget itself cannot lead the enterprise in achieving its corporate objectives, but a sincere effort on the part of different executives to follow according to budget may lead in achieving the desired goal. In the modern industrial world, no enterprise can run effectively without a budget and their effective practices. Public enterprises are expected to derive following advantages through the use of budget and their practices:

1. Maximize the profits through effective planning and control of income and expenditure.
2. Ensuring closer cooperation between the various branches and employees of the organization.
3. Makes each level of management may aware about the best way to perform its assigned task.
4. Ensuring supply of sufficient working capital in the enterprise.
5. Ensuring optimum utilization of the limited resources of the enterprise.

1.5 Research Questions (RQ)

RQ1. What is the present state of budget practices in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ2. What is the present regulatory framework and other guidelines for preparing and implementing the budgets for the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ3. What are the bottlenecks of current budgetary practices faced by the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ4. What are the ways of removing bottlenecks in the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ5. What is the level of efficiency and effectiveness of the budgetary systems followed by the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ6. Is the use of internal and external sources of funds and the application process of those in the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh effective?

RQ7. Is budget variance or deficit identified and ways of overcoming those budget deficits in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh?

RQ8. What is the comparative efficiency of the budgetary practices of selected seven (7) public enterprises and three (3) private enterprises of Bangladesh with industrial practice?

1.6 Objective(s) of the Study

Within the background of the present study and review of the research problems and justifications, it seems that to understand the use of effective budgetary practices in selected seven public enterprises in Bangladesh is very important. To ascertain and ensure that selected seven 7 public enterprises and three (3) private enterprises follow budgetary practices consistent with standard guidelines, budgetary control should be effective and employees be equipped with relevant training. In Bangladesh we see over the years, non-financial enterprises follow budgetary practices and at the same time, they have been facing a problem to finance the ongoing budget deficit.

The main objective of this study is to evaluate whether the budgetary practices in the 7 public enterprises and three (3) private enterprises are effective as a control tool and to observe a comparative scenario of the public and private enterprises. The specific objectives with which this study has been designed are as follows:

- (i) To determine the present state of budgetary practices in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.
- (ii) To highlight the regulatory framework and other guidelines for preparing and implementing the budgets by selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.
- (iii) To measure the efficiency and the effectiveness of the budgeting system followed by the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.
- (iv) To identify the bottlenecks of the current budgetary practices followed by selected seven (7) public enterprises and three (3) private enterprises of Bangladesh and also to find out the ways and means of removing those bottlenecks.
- (v) To analyse the internal and external sources of funds and applications process in the selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.
- (vi) To find out the budget deficit of public enterprises and way of overcoming it in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.
- (vii) To find out whether necessary remedial actions, if any, to reverse the undesirable events in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.

(viii) To observe responsibility of budget preparation, budget adoption, execution and reporting in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.

(ix) To analyse the budget variance and causes of variances of selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.

(x) To outline suggestions and recommendations for overcoming the lacking in selected seven (7) public enterprises and three (3) private enterprises of Bangladesh.

1.7 Hypothesis of the study

H₀₁ : Budget practices in not prevalent in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₂ : There is no regulatory framework for budget preparation in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₃ : There is no problem or bottlenecks in the budgeting process in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₄ : The problems or bottlenecks are ignored in the budgeting process in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₅ : The budgeting process is not efficient and effective in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₆ : The use of funds is not efficient in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₇ : The budget variance is not properly treated in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H₀₈ : The budgeting efficiency is same in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

1.8 Rationale of the Study

After independence in 1971, as a primary step to establish Socialism in the country, Public Sector Corporations or Public Enterprises were created by taking abandoned industries of the Pakistani industrialists and the then nationalized local business or companies. As tool of management, budgetary practices are used in the public enterprises, but the results or performances of those or their effectiveness were not satisfactory, and those showed continuing poor performance, that necessitates frequent research, evaluation and assistance.

The focus of budgeting is not only on budget preparation, but also on budget implementation and follow-up of operation. Now-a-days budget is regularly used in national perspective and almost regularly used in business companies' or corporations' operational planning and control.

When budget is referred to as a financial statement of a nation's plan for a specific time period, it explains where and how the government will spend money, as well as where the funds will come from to cover these costs. Budgets also impose restrictions on actions. Budgets of public enterprises not only set limitations, but they also ensure that the most pressing requirements of a country are met first, and that less pressing requirements be deferred until adequate money are available to pay for them.

Budget may enhance accountability. Without assigning responsibility and authority, good governance and accountability measurement become impossible. Delegation of authority and responsibility of performance ensure proper control. A properly drawn and written, rightly implemented and strictly monitored budget can ensure all the above factors and can contribute positive results in growth and profitability.

Views and ideas could not be formed about the present state of practices of budget in this sector without in-depth study. This has inspired and instigated to take up the present topic for

study. From the point of view of ensuring good practice of budget, study is essential to ensure that proper budgetary practices are followed by such important public enterprises.

The study aims to evaluate the performance of public enterprises as a single objective. The results of the study are expected to help the policy makers in making decisions to make those effective and efficient and in other policy-making.

Considering the vital roles played by the selected seven (7) public enterprises and three (3) private enterprises in Bangladesh, accurate forecasts and preparation of a budget with highly dependable data and achievable goals, are imperative. Through a budget, accountability of the responsible employee is assigned. Without assigning responsibility and authority, good governance becomes impossible. Delegation of authority and responsibility of performance ensures proper control.

A properly drawn and written, rightly implemented and strictly monitored budget can ensure all the above factors and can contribute positive results in growth and profitability. From this point of view, study to ensure good practice of budget and proper budgetary control to be followed by such public and private organizations are undeniable. Keeping this in view, the research topic was considered to be timely and result oriented.

For other justifications of the study, the following points may be considered in the context of public enterprises in Bangladesh:

- (a) Existing knowledge about the budgetary practices of selected public enterprises of Bangladesh is scanty.
- (b) The research findings are expected to help in improving the existing systems of budgetary practices in all public enterprises of Bangladesh.
- (c) Efficient use of resources and reduction of wastage in public sector enterprises may be achieved through using the policy recommendations.

1.9 Limitations of the Study

Poor information availability is the major limitation. It was very difficult to collect data from governmental autonomous bodies, i.e., non – financial public enterprise in Bangladesh, due to different restrictions and poor data preparation and management. The researcher heard various causes in the offices creating demotivation usually.

Furthermore, lack of availability of database, poor timeliness and poor commitment of the respective respondents, were some of the limitations.

Chapter: 02

A Review of Literature

2.1 Review of Literature in General

Becker and Green (1962), from the US context, identified that early business budgeting began with “imposed” budgets and some types of obvious controls: limit control (authorization to spend or appropriation for particular ‘objects of expenditure’ being the “upper limit”), restraint control (each claim to be approved for payment by the chief financial officer), clerical control (insuring the completeness of the record by considering provision of the expenditure in budget document, availability of sufficient fund, and production of necessary documents), and communicative control (preparation of interim reports and distribution thereof to departmental heads). According to them, during the early and middle 1930s, it became fashionable to speak of “budgetary control” and to view the budget as both ‘a financial plan’ and ‘a control over future operations’ and due to the inadequacies of the static budget in the thirties for sharp downturn of business activity and disappearance of profit, a flexible or variable budget was introduced providing for intra-period changes in the level of sales or manufacturing. By 1930, the US business circles recognized some dissatisfaction of the imposed budgets and participation was introduced into the budgeting construct (Becker and Green, 1962: 379-381).

Hoffman (1965) suggested the use of mathematical model and computer program for budget on the basis of an experience of ERE model (model used by Esso Research and Engineering Company first in 1964), because of some benefits: speed of operations, flexibility to meet changing needs, economy, and accuracy (Hoffman, 1965: 395).

Lurie (1953) focused only on research costs control using a budget and recommended the preparation of a twofold research costs budget—one by classes of expenditure (the expense classification budget) and the other is a budget for each project to be undertaken during the period (the project budget) (Lurie, 1953: 718-722).

As stated by Mattessich (1961), the purpose of periodic budgeting is “to supply management with a financial plan for future operations” (Mattessich, 1961: 88). In the language of Heckert and Willson (1955), budgeting is charged with the more ambitious task of “finding the most profitable course” for an enterprise (Heckert and Willson, 1955: 14; vide Mattessich, 1961: 88). Mentioning the traditional budgeting as “accounting for the future,” Mattessich (1961) presented this as a mathematical model and then proposed a practical approach to develop

budget by means of electronic computer and system simulation to give “a more refined and perhaps a more scientific treatment” of the budget-related problems.

During 1940s, Reith (1949) observed that “administrative and commercial expense represents a comparatively new field of budgetary control” (p. 734) and he expected “more attention to controlling” these expenses (p. 741) and according to him the budget program on these expenses is intended primarily “as a tool for cost reduction and as an incentive for improved efficiency” (p. 735).

Jones (1998) stated that budgets are made up of two main components: planning and control. Budgetary planning is the creation of a financial plan for the future, whereas budgetary control is the monitoring and control of overall performance using specified budgets. Joshi and Abdulla (1995) said that budgets, on the other hand, are a great control and evaluation tool, because they provide a set of criteria against which results can be compared and remedial actions may be taken.

Crude and non-traditional techniques are used in Barbados to get acceptance in various types of capital project in both public and private enterprises (Alleyne et al., 2018). Firm size and industry are related to each other to determine capital budgeting techniques and similarly, growth opportunities and flexibility are vital determinants for capital budgeting in Spanish context (Andres et al., 2015). For successful fundraising practices and growth, firms should follow sound, sustainable and competitive guidelines from practitioners (Nso, 2020). Empirical study shows that budgets are developed and improved more frequently in year to year by economic indicators (Souza & Lunkes, 2015). Budgetary practices depend on government policy, influence, asset structure, infrastructure of capital spending, depreciation of cost strategy in public enterprises (Yusuf & Srithongrung, 2017).

Batra and Verma (2017). This study stated that internal rate of return and risk sensitivity are most popular techniques for capital budgeting in India. Similarly, most of the South African firms follow NPV (Net Present Value) and IRR (Internal Rate of Return) for capital budgeting. IRR can make a problematic situation from reinvesting concept (Correia & Cramer, 2008). Moreover, Brazilian firms follow IRR, Payback period and NPV for the assessment of capital budgeting and have no relationship for sophisticated budgeting practices (De Souza & Lunkes, 2016). Both sensitivity and investment risks are analysed by capital budgeting in Brazilian firms (De Souza & Lunkes, 2016). Furthermore, some experienced CFOs prefer IRR and sensitivity analysis and sophisticated capital budgeting,

tools incorporating risks are used by some CFOs who have higher educational qualification (Nurullah & Kengatharan, 2015). With & Dijkman (2008) commented that Netherlands firms get satisfaction in budgetary practices and CFOs are doing excellent job in their field.

Eljelly & AbuIdris (2001) indicated that payback period (PB) is the most popular and widely accepted model for capital budgeting techniques including Internal Rate of Return (IRR) and Net Present Value (NPV) in public enterprises. Additional factors that are affecting capital budgeting in both industries are cost, size, quality, experience, and hard currency requirements, according to the report.

Chaudhary & Chaudhary (2018) emphasized that increased profitability can be achieved through budget, but managerial commitment is required. According to the findings, the budgetary control procedure has a considerable significant impact on NOC's financial performance by influencing financial targets, resource allocation, and investment projects.

Chaudhary & Chaudhary (2018) also suggested that NOC's management and employees be educated on the importance of budgetary controls in improving financial performance, the avoidance of inappropriate budgetary involvement, including the use of budgets as management tools.

Hatharasinghe & Karunarathna (2017) showed that there is a moderately favorable association between budgetary control and profitability, and good budgetary management contributes to better financial organizational outcomes in Sri Lanka.

Ahmed & Muhammed (2018) showed that internal controls and financial performance have a substantial relationship. The study's dependent and independent variables revealed a link to the management system and risk evaluation. The activities of information, communication, and control showed a good association with financial performance.

Everien & Claude (2020) conducted a study to investigate the impact of budgetary control on financial performance, with the distinctive goal of determining the impact of budget variance on financial performance. Budgetary management has a favorable link with net profit margin, according to the data. The regression analysis results further demonstrated that the established association between budget variation and net profit margin is significantly positive.

Olaniyan & Efuntade (2020) studied on Nigerian context to find out there was co-integration (long-run link) between the variables in the model, specifically budget planning. In Nigeria, budget evaluation, control, and monitoring have a substantial association with financial performance, however budget participation has no long-term relationship with tertiary institution financial performance.

Olaniyan & Efuntade (2020) concluded that, depending on the variable of interest, there is a strong association between budgetary control structure and economic efficiency of higher learning institutions. Similarly, the study recommended that the government ensure quality and productivity in the budgeting and budgetary control system due to the lack of impact of budget participation on financial performance in the long and short run, which is a clear indication of the poor budgeting.

Gunawan et al. (2020) The study was conducted in Indonesia and consisted of 33 samples that were gathered via questionnaires and quantitatively analyzed using partial least square-path modeling (PLS-PM) testing methods and smart-pls data processing techniques. A survey of 548 local councils in Indonesia was utilized as the research method, including 231 samples. Questionnaires were utilized to obtain primary data from 33 samples, which were then quantitatively tested using PLSPM and data processing using smart-pls. The study's findings show that budgeting process has a considerable favorable impact on budgetary absorbing efficiency. As a result, budgetary control can be stated to have a strong focus on improving budgetary adsorption capability. This leads to a nation's provincial authorities' economic growth speeding up.

Owolabi et al. (2020) recommended that capacity creation, prioritizing of robust systems and processes, and close monitoring and supervision for assessment should all help with budget implementation. To improve overall budget execution, stakeholders should be included in budget execution. Furthermore, managerial accounting systems should be supported to guarantee responsible fund management and proper awareness of both employees and the general public on optimal profitability in order to strengthen the oversight responsibilities.

Al-Shaibie & Batool (2014) revealed that in comparison to Pakistan and Jordan, all three nations are facing tight budgetary control, with Jordan and Pakistan experiencing it at a higher degree and Sweden experiencing it at a lesser level. In terms of employee behavior, both methods revealed that in Pakistan and Sweden, tight budgetary control was negatively

connected to loyalty, whereas in Jordan, it was positively related. In Sweden and Pakistan, satisfaction is negatively connected to rigorous budgetary management, but in Jordan it is favorably related. For all three countries, job-related stress and a proclivity for data manipulation are positively connected to most closer to budgetary control.

Gurung & Panza (2021) executed qualitative research on Nepal and mentioned that inadequately defined NHI (national health insurance) implementation instructions, contradicting Act sections, a lack of HIB (Health Insurance Business) organizational rules, and insufficient human resources management were the primary issues highlighted. The biggest bottlenecks in throughput were difficulty registering insurees, inability to pick competitive health providers, and failure to behave as a sensible consumer of services. Inadequate inputs and throughput bottlenecks resulted in unfavorable outcomes such as significant dropout rates among insured individuals and inadequate coverage of poor households. The NHI program's long-term viability may be jeopardized if the stated issues remain, which are compounded by the country's deteriorating economic condition as a result of COVID-19.

Simmons (2015) suggested that the antecedents of the inclination to produce budgetary slack differ from the antecedents of the amounts created, each may require different types of mitigation in practice. The fact that rollover options enhance the likelihood of creating slack should serve as a warning to those who use rolling budgets. Simmons (2015) added to the body of knowledge by discovering that perceived interpersonal trust had no effect on the proclivity to produce slack, just on the amount of slack created.

Subordinates are more likely to produce slack when the budgetary process contains a rollover option and smaller amounts are created, according to Simmons (2015), than when the budgetary process does not have a rollover option and larger amounts are created. I found no correlation between subordinates' proclivity to create slack and their perceived level of interpersonal trust with their superiors. Subordinates, on the other hand, create more slack when their interpersonal trust is low. I couldn't discover any evidence to support the projected interaction effect. These findings show that the antecedents of the inclination to create budgetary slack varied from the antecedents of the quantities generated, and that each may differ in terms of mitigation in practice. The fact that rollover options influence the chances of slack recommends that rolling budgets should be used with prudence. The amount of slack

created, not the tendency to create it, was found to be unaffected by observed interpersonal trust.

Dunk (2011) provided evidence that budget used in product innovation contexts may be problematic has validity, and the findings show that using budgets as a control tool may not result in intended financial consequences.

Joharji & Willoughby (2014) tried to find out some important points on Saudi budgetary systems and suggested budgetary reform proposals to improve the quality of budgetary planning, budgetary preparation procedure and budget deficit procedure.

Khodachek & Timoshenko (2017) commented on Russian context that bureaucratic governance, participatory mechanisms, re-evaluation and reform of budgeting practices make unique structure for public sector budgetary reform management. Rotar et al. (2021) studied on EU-28 countries and found that the significance of regulations that enhance labor productivity growth, especially those that boost innovation while also ensuring macroeconomic stability, competitive markets, and a flexible and trained manpower in country level research. Del Bo & Florio (2012) recommended that the key policy message emphasizes the importance of overall institution quality as a pre-requisite for socially beneficial public enterprises. Even if public administrators select sub-optimal plans, a good institutional framework provides policymakers with the right incentives to formulate and implement relevant policies.

Wai (2006) studied on Hong Kong to analyze 1998 to 2003 data and recommended that increase in public expenses, decrease in public revenues, inefficient management of public money, and weak administration are the vital points of the development of public enterprises.

Shand (1998) examined the pressures that led to these reforms, as well as contemporary trends in deficit reduction and modifications to budgeting systems implemented by many countries. Changes in expenditure programs are also mentioned briefly. Changes to budgetary processes have been part of an overall strategy of public sector management reform in various OECD Member nations. While countries' priorities differ, there is widespread agreement on the need to develop innovative budgetary processes that take a multi-year

approach, allow for greater budgetary devolution to ministries and agencies, and place a greater emphasis on monitoring the progress of government services and institutions.

Arjomand et al. (2016) used static panel models and researched about the effect of growth, efficiency, and government budget deficit in MENA selected nations from 2000 to 2013. The estimated relations for the model, in which the dependent variable is the government budget deficit, show that economic growth and inflation rate variables have a positive effect, while labor productivity and the government budget deficit have a negative effect.

The goal of the Stede (2000) study was to see if there were any spillover effects between two putative dysfunctional outcomes of a rigorous budgetary control style: budget slack creation and managerial short-term focus. The evidence backs up this claim: enforcing rigorous constraints on one type of dysfunctional behavior (slack creation) appears to spread to another (stronger management focus on business area that affect short-term outcomes).

However, two significant antecedents may influence the budgetary control techniques that businesses use, as well as the behaviors that they motivate: business unit previous effectiveness and business advantage. The findings show that company divisions that pursue a strategy of differentiation or have been more profitable are subject to less stringent budgetary limitations, which increases the propensity to develop slack and managers' long-term thinking. On survey data from 153 business unit general managers, these links are investigated using a multiple linear regression model.

Widodo (2016) used both quantitative (over the period 2011 to 2014) and qualitative analysis with interviewed different ministry officials for budgetary planning process in Indonesia.

Widodo (2016) mentioned that performance information has had a modest impact on resource allocation decisions in the United States, as it has elsewhere in the globe, and incrementalism dominates budgetary decision-making. While performance data is becoming more essential for managerial objectives within line ministries/agencies, the more difficult goal of altering long-standing budgeting practices and implementing a more achievement budgeting model is still generally unachievable.

Corporate Governance (CG) is mandatory (both developing and developed economies) for development in private as well as in public organizations (Bhaumik et al., 2019).

Ararat et al. (2020) commented that board structures impact on corporate governance to achieve goals and transparency considering ongoing economic and socio-political trends in emerging market. Better CG helps to get benefited for financing, lower cost of capital, and better performance in both firm and country level in emerging markets

Claessens and Yurtoglu, 2013). Firm level corporate governance has less impact if the country's CG is weak (Claessens and Yurtoglu, 2013).

Avcin and Balcioglu (2017) mentioned that there is a positive relationship within corporate culture elements with internal governance behaviour and positive relationship within elements of corporate legal provisions with external governance behaviour. Firms with good governance use more debt compare to the firms whose are weak governance (Gyimah et al., 2021).

Literatures have shown that there are few studies about regulatory framework and other guidelines for preparing and implementing the budgets of selected public enterprises in global perspectives. Also, this study has identified that there is a lack of literature of measuring the efficiency of the budgetary control system followed by the selected public enterprises. Though this study has found some previous literature regarding bottlenecks of the current budgetary practises and removing those bottlenecks, there is a lack of evidence of bottlenecks of budgetary practices and removing ways regarding public enterprises. There are globally a lot of studies, though very few studies in recent years, I have got about internal and external sources of funds and applications process of public enterprises. Finally, this study noticed that there are insufficient literatures about budget deficit of public enterprises and way of overcome it. There are some studies, about operational control.

2.2 Review of Literature in the Context of Bangladesh

Study by **Hakim and Bhuiyan (2003)** has shown that all public sector textile mills (in a sample of 10 mills from the textile industry, five were from private sector ownership and five from state-owned sector) have followed budgetary control system with some limitations in the implementation process (p. 53), although only half of the sample units (60 percent in public sector mills and 40 percent in private sector mills) endorsed the present budgetary control system as effective (pp. 45-46).

Most of the firms try to use more debt compare to use own money to run business (Shil et al, 2019). This decision depends on board and CFOs. Bhuiyan & Biswas (2007), found that CG has not significant relationship with board size and institution age in Bangladesh. Transparency, independence in decision-making and accountability are the key points which are absent in Bangladesh CG culture and the scenario can be changed if corporate culture can avoid paternal style of leadership and exist professionalism in management.

Solaiman et al., 2003. Moreover, there is no significant relationship between value of the firm measures and board size and audit committee (Rouf, 2011). To ensure development and enforcement of good governance in Bangladesh, enterprises should focus on regulations, auditing, accountability, and engagement of concern parties (Ahmed & Uchida, 2009). Furthermore, CG is significantly related with board-based interest group politics for both corporate control politics and political preference in Bangladesh (Haque et al., 2011). Weak institutional controls and limited transparency and weak disclosure practices are the main dominating factors of CG to make interruption (Rashid et al., 2007).

Operation and maintenance of new asset management can create a problem for efficacy which is suggested by auditors (Sabbih, 2017). Preparing and implementing the budget are properly managed by Bangladeshi Banks (Nasrin, 2014). IRR and Payback Period are the most used techniques for capital budgeting and Chief Financial Officer (CFO) adjusts the company risk by using discount rate in Bangladesh (Mollah et al., 2021). Some experienced CFOs prefer IRR and sensitivity analysis and sophisticated capital budgeting and incorporating risks are used by some CFOs who have higher educational qualification (Nurullah & Kengatharan, 2015).

Yasmin (2015) identified firms in Bangladesh are more sophisticated in budgeting practices and size of a company can impact on budgeting practices in Bangladesh on a study with a small sample size.

Mollah et al. (2021) indicated that huge cost of capital budgeting in Bangladesh makes a bad impact for firms.

Samina & Hossain (2019) mentioned that banks in Bangladesh are using technology in their offices and day to day activities in recent years which indicates that technology creates an impact on capital budgeting practices.

With 50 years of data, Islam & Karim (2011) discovered that the growth of management techniques in Bangladesh has been on an upward trajectory.

Previous literatures have shown that there are no studies about regulatory framework and other guidelines for preparing and implementing the budgets of selected public enterprises in Bangladesh perspectives. This study has identified that there is a lack of literature measuring the efficiency of the budgeting system followed by the selected public enterprises in Bangladesh. Though this study has found some previous literature regarding bottlenecks of the current budgetary practices and proposing ways to remove those bottlenecks in different perspectives, there is inadequate evidence of bottlenecks of budgetary practices and ways regarding removing those in public enterprises in Bangladesh. There are globally very few studies in recent years, I have got about internal and external sources of funds and application process in the public enterprises, though I did not get any article in recent times in the context of Bangladesh.

Finally, this study noticed that there are insufficient literatures about budget deficit of public enterprises and ways of overcoming it in recent years in Bangladesh. So, in sum up, there is huge research gap on these topic. Therefore, this study is asserting for further investigation on this issue.

2.3 Research Gap attempted in this study

Budget is the key elements of any organization. It is the basic and essential process that assists businesses to attain many goals in the course of its operations. An organization has many goals to be successful. These goals may include control and evaluation planning communication and motivation. (Lacey, 2004). Budget as management tools can greatly influence the performance a company (Lesson, 1999).

Becker and Green (1962), from the US context, identified that early business budgeting began with imposed budgets and some types of obvious controls; limit control can be theorized to spend or appropriation for particular objects of expenditure being the "Upper Limit"

Hoffman (1965) suggested the use of mathematical model and Computer program for budget on the basis of an experience of ERE model (model used by Esso Research and Engineering company first in 1964, because of some benefits speed of operations, flexibility to meet changing needs, economy and accuracy.

Ahmed Muhammed (2018) showed that internal controls and financial performance have a substantial relationship. The study is dependent and independent variables revealed a link to the management system and risk evaluation. The activities of information & Communication, and control showed a good association with financial performance. Monitoring shows a negative impact on financial performance.

Evercien a Claude (2020); a study conducted to investigate the impact of budgetary control on financial performance, with the specific goal of determining the impact of budget variance on financial performance.

Budgetary management has a Favorable link with net profit margin according to Link to the data. The regression analysis results further demonstrated that the established association between budget variation and net profit margin is significantly positive. Olaniyan & Efuntade

(2020); studied on Nigerian context to find out there was co-integration (Long - recent link) between the variables in the model, specifically budget planning. In Nigeria, budget evaluations, control and monitoring have a sustainable association with financial performance however, budget participation has no long-term relationships with Tertiary Institution financial performance

Olyaniyan & Efundade (2020) concluded that, depending on the variable of interest, there is a strong association between budgetary control structure and economic efficiency of the organization. Government should ensure the quality and productivity in the budgeting and budgetary control system due to the lack of impact of budget participation on financial performance in the long and short run which is a clear indication of the poor budgeting.

Gunawan et al. (2020) Conducted a study in Indonesia and consisted of 33 samples that were gathered via questionnaires and quantitatively analyzed using partial least square –path modeling (PLS-PM) testing methods and smart PLS data processing techniques.

Owolabi et al. (2020) recommended that capacity creation, prioritizing of robust systems, and processes and close monitoring for assessment should all help with budget execution. To improve the overall budget execution, Stakeholders should be included in budgeted execution.

Furthermore, managerial accounting - system should be supported to guarantee responsible fund management and proper awareness of the both employees and the general public on optimal profitability in order to strengthen the oversight responsibilities.

Al-Shaibani & Batool (2014) revealed that in comparison to Pakistan and Jordan, all three nations are facing tight budgetary control was negatively correlated to loyalty whereas in Jordan it is positively correlated.

In Sweden and Pakistan, satisfactory is negatively connected to rigorous budgetary management, but in Jordan it is favorably related for all three-country job related stress and a proclivity for data manipulation are positively connected to very tough budgetary control.

Rotar et al. (2016) studied on EU. 28 countries and found that the significance of regulation that enhance labor productivity growth, especially those that boost innovation while also ensuring macroeconomics stability. Competitive market, and a flexible and trained manpower in country level research. Institutional quality should be enhanced for making effective org. and effective and efficient budgetary practices in the public enterprises.

Olyaniyan & Efundade (2020) revealed among other things that the variables in the model budget planning, had co-integrates on (a long-run link). Strong good governance is positions associated with effective and efficient budgetary control.

Ararat et al. (2020) commented that board structures impact on corporate governance to achieve goals and transparency considering ongoing economic and socio-political trends in emerging market. Good governance ensures effective' budgetary practices. Budgeting and 'Budgetary Control' are used globally from long before in different perspective, for capital budgeting, national revenue and development planning, control of expenses in the service sectors, and operational planning and control in the production or manufacturing organizations. Literatures in the global perspective are rich in this area, referred in the studies of **Becker and Green (1962)**, **Hoffman (1965)**, **Lurie (1953)**, **Jones (1998)**, **Everien & Claude (2020)**, **Simmons (2015)**, where budgeting, budgetary control, budget slack, etc. were covered.

Al-Shaibie & Batoool (2014) revealed tight budgetary control in three countries. Widodo (2016) found budgetary planning process in Indonesia. Olaniyan & Efuntade (2020) revealed budget as planning, evaluation, control tool in Nigeria. So in the global perspective the records of studies are very rich. **Literatures in the Bangladesh perspective are less than adequate**. A few studies found areas follows. **Uddin and Hopper (2001: 654)** studied public sector corporations' budgetary control at the initiative of WB. **Hakim and Bhuiyan (2003)** studied effectiveness of budgetary control in the textile industry.

Islam & Karim (2011) studied the growth of management techniques in Bangladesh and found that the growth of private sector management influences, the development of public sector management. The study had attempted a comprehensive study on public enterprises.

2.4 Budget: An Overview

This chapter focuses on theoretical research literature done by scholars on different aspects of budget and budgetary practices. The main areas which are covered for review comprise the extant literature on budget and its purposes, budget types, standard setting, forecasting, budget timing, budget committee, budget manual, centralization/ decentralization of budget. Furthermore, the relationship between budget and internal control, budget and cost control, variance analysis and performance measurement are also explored in this chapter.

This section consists of three sub-sections- budget, its definitions, purposes and classifications. Each of these points is discussed in details below.

2.4.1 Budget- purposes:

Budget can serve many purposes, if it is prepared properly and used rightly. Major views on purposes of budget center on improving profitability, operational efficiency, right and timely decision making and fixing responsibility and accountability. As contented by Heckart and Wilson (1955), the purpose of the budget is simply - finding the most profitable cause for an Enterprise. Like Heckart and Wilson, Stedry (1960:2) concentrated primarily on increasing profit as the main purpose of budget. According to Stedry, the primary objective of budgeting is to increase long run profit at the fastest possible rate.

2.4.2 Budget- classifications

Different writers and authors classified budget in their own different ways. But in summing up, almost all types of budgets are covered by each of them under different names and terms. The following types of budget are worth-mentioning:

- a) Fixed budget:
- b) Flexible budget
- c) Capital budget
- d) Activity-Based Budgeting (ABB)
- e) Zero-Based Budgeting
- f) Value-Based Budgeting
- g) Profit planning budget
- h) Rolling budgets and forecast
- i) Sales budget
- j) Production budget
- k) Direct materials budget
- l) Direct labor budget
- m) Manufacturing overhead budget
- n) Operating expenses budget
- o) Cash budget

2.5 Budget- forecasting

Sometimes it appears that the terms budget and forecast are used interchangeably, but it is not true. Forecast is an estimation of some future events generally generated by cost centers or departments which have effects on the budget. Further, forecasting can be made by business organization for use of the Management other than incorporating into the budgets.

Correct forecasting of future operation is a key part of generating reliable budget. Forecasting may not be a science, but if based on past results and proper assumption for the future, it will produce dependable performance.

Discussions on standard setting, budget time / period and forecasting are dealt with in the section. Chronological detailed narratives are as follows.

2.5.1 Budget and Standard setting: Forecasting for the future business performance or of any planned actions, invariably requires some standards to depend on. It is difficult to predict future, even roughly, without enough experiences and reasonably correct estimates based on specified goals or objectives.

2.5.2 Budget-period/ time duration:

The period which is covered by a set of budgets is budget period. Period of budget may vary from organization to organization based on the nature of business or nature of expenditure. Generally, revenue budgets are prepared for a period of one year with monthly or quarterly split ups. As acquisition of Capital Assets may take longer period to execute, Capital Budget may be, say, for one year, two years, and five years or even, for ten years. Brown and Howard (1982), observed that there is no “right” period for any budget; budget periods vary between short period and long period.

2.5.3 Budget- preparation and implementation

A number of stages can be identified in the preparation and implementation of budget:

Stage one: Identification of the key goals for the budget year and major expected changes affecting the business for the same period.

Stage two: Determination of the key or limiting factor is important. Most of the businesses face some limiting factors hindering its growth. Generally, it is the Sales or demand. It can be lack of skilled labor or anything else. However, the limiting factor(s) and its effect must be carefully identified.

Stage three: Preparation of the sales budget considering “limiting factors” which is the most difficult budget to be prepared.

Stage four: Initiation for preparation of the subsidiary budgets, that is, production budget, direct labor budget, production overhead budget, selling and distribution budget, administration budget, capital expenditure budget and the cash budget.

Stage five: Review and co-ordination of the subsidiary budgets by the budget officer/ budget committee.

Stage six: The individual subsidiary budgets are to be consolidated in a master budget.

Stage seven: At this stage, the budget to be presented to the board of directors for approval.

We may say that in most of the organizations, small or large, resources are limited, whereas demand for the same is almost always beyond that limit. Here lies the importance of prudent allocations, so that the broader objectives of the management to effectively run the organization with maximum profit earning capacity are achieved.

2.5.4 Budget – committee / department’s responsibilities:

A budget committee is a delegated authority to prepare, implement the budgets and monitor subsequent performance reports. It is generally comprised of a few members of the top management, Henry (1969) noted, in general terms, the areas of functions of the budget committee should include: provide guideline on budget preparation, extend technical

advice, review details of budget, suggest changes if required, reconcile various budget activities, finally approve budget in the acceptable forms and review budget reports during operational time. In fact, budget committee is management committee which supervises and coordinates the activities of the entire department in an effective manner. With broader views on composites, functions, and responsibilities of the budget committee, Jawahar Lal (2002) viewed that- responsibility for the budget direction and execution is usually placed in the hands of a Budget Committee. The committee reports directly to top management. Budget committee comprise of managers of major functional areas such as, sales manager, personnel manager, finance manager, the production manager and engineer, the treasurer and the Chief Financial Officer (CFO). No doubt, budget committee plays a very important role in keeping the organizational budgets on right track and thereby ensures smooth operations and financial solvency.

2.5.5 Budget Centralization and decentralization:

Budget is a control device for an organization. There are different models of control approaches and as such, different models or methods of budgets exist in business. The budget models may include a centralized or “top-down” approaches or a decentralized or “bottom-up” approach.

Vroom (1964), after citing a number of studies, concluded that as subordinates were given a larger influence in decisions, their performance improved, partly because of ego involvement which participation generated.

Hofstede (1967) also expected participation to help ensure a perception among budgeted individual that goals were fair, and therefore the budget would be more relevant to them. Participative approach creates a sense like „this is our budget“ and enhances responsibility among the performers to accomplish the goals or targets.

Hilton et al (2000) endorsed the same idea. According to him participative approach may be effective and the performers may be inclined to attempt to achieve budgetary goals as a part of their commitments.

But Fisher et al. (2000) opined differently. According to their opinion, participative budget may give an opportunity on the part of performing managers to create undue budget slacks.

Johnson (1992), supported participative budget; according to him, this approach would result in a bottom-up employees' empowerment. From a different dimension, Denton et al, (1999), observed that participative approach can ensure that the staff to be more receptive of decisions and objectives if the management is able to create an environment of mutual trust and a sense of employee ownership. Companies may also use participative budgeting in conjunction with another budget model. That may gain wider acceptance towards budgets from all concerned.

2.6 Budget Implementation:

A broader discussion on implementation of budget was done in the section. Moreover, variance analysis, its implications, performance measurement etc. were also dealt with here. Point-wise detailed narratives are in the following sub-sections.

2.6.1 Budget Implementation Process:

Implementation process of budget just begins with the completion of budget package. Good budget implementation just doesn't happen automatically. Rather a sound budget implementation system is needed. While explaining the process of implementation of budget, Khaleda (1981), suggested that four steps are required in the process of implementation of a budget which are: organizing and coordinating, staffing, directing and motivating.

Seldin (1981) observed that proper budgetary planning and control are preconditions for implementation of budget. To sum up, the implementation process involves the following steps and actions:

- An executive order circularizing the budget to the users particularly to the cost center managers and their related staffs.
- Approving and distributing reporting formats for feedback.
- Receiving feedback reports of compliance and monitoring results.
- Motivating the responsible managers /staffs with incentives and timely action for non-compliance or adverse result.

2.6.2 Budget-variance analysis:

Variance analysis is a simple process of comparing the actual performances with the budgeted ones to find out the variations and the reasons thereof. A variance is caused by the difference between actual and budget figures which can either be positive/ favorable or negative/ unfavorable.

2.7 Budget-performance measurement:

If multiple questions are asked about where lies the uses and effectiveness of budgeting practices, a single but appropriate answer probably would be- in performance measurement for control. It becomes difficult to manage and control an activity unless and until the extent of its positive or negative achievements can be rightly measured. Researchers defined organizational performance from different angles which include social performance or contribution charity to trust.

Arnold (1987) emphasized on performance measurement through the comparison of variables besides profit and cash. According to him, the assessment of the performance of individual management blocks is to depend on clearly defined objectives.

Further, performance measurement may indicate both the weak and strong areas of operations of an organization. Merchant and Stede (2003), put importance on not only the quantitative aspect of results of performance, but also on qualitative aspect of the results, which, according to them, can help shape the fortunes of an organization. Budgets set the targets that ultimately provide the basis for motivation and performance evaluation and employee involvement. (Banovic, 2005).

Drury (2002), is more specific on the role of performance evaluation in identifying performance responsibility. According to him, performance of a particular department is the responsibility of the manager of that department and as such his or her performance, which will be questioned, if the budget is not met.

2.7.1 Budgetary Control:

This section consists of four sub-sections- internal control, cost control, feedback analysis and revised budget.

Budget and Control:

One of the main purposes of budget is to exercise and ensure both financial and strategic control. In fact, budget can play a significant role in realizing the purposes and objectives of internal control of an organization. Budgetary control involves the steps taken by management to increase the likelihood that the objectives set down at the planning stage are attained and that all parts of the organization are working together toward that goal.

Budget and internal control are two different devices of controlling. In a broader sense, budget is a tool of internal control and budget works as a supplement to the entire setup of internal control. As such, it fits well in an environment of well-formulated and designed internal control system. Other way around, budgetary control can also be achieved through enforcement of internal control system in its different forms.

2.7.2 Budget and Cost control:

In every organization budget is an effective management tool for control mechanism. But a rational question always may creep up like: to control what? Budget has the potential to exercise control on multiple aspects of an organization.

Budgeted profit of an organization is determined only after costs and expenses are standardized and estimated at certain rates. Any increases in those costs and expenses shall, obviously, result in reduction of profit. On the other hand, reduction in costs and expenses through exercise of control may result in increase of profit. Costs are best controlled at the point at which they are incurred (J. Batty, 1970). Budget clearly identifies cost centers and thus defines responsibility. For cost control, the employee who has the authority to incur a cost should be held responsible for that cost.

According to Merchant (1982), a budget is a result and future-oriented management control instrument. However, it is not the budget that can reach the objective, but rather the behavior of the manager. A budget is only a tool, what is essential to control costs is to implement an

effective cost control methodology in combination with perfect budgetary practices in an organization.

2.7.3 Budget and Feedback analysis:

Where performance evaluation ends feedback process starts. From the results of performance evaluation, feedback is sent to the controlling authorities for appropriate measure. Reversely, constructive feedback from the management to the performing employees follows when they make any mistakes.

The literature review gave a picture of Budget, its purposes, benefits, limitations, implementation and uses very clearly. But the review could not focus light on the research topic of budgetary practices in the public enterprises of Bangladesh, because of limitation of previous research on this particular topic. Besides, manufacturing companies prepare budget in details and stretch importance on budget and its implementation which is not the case of public sector. Similarly, research studies on budgetary practices in general and the same in public sector were available to some extent.

2.8 Budget and Budgetary control:

How the word “budget” in English had transformed into its present form is both funny and interesting. Oxford English Dictionary (1989) traced its origin as: from the word Latin bulga (to bulge), came bouge in Middle French, meaning a bag; or bougette, the diminutive. This term crossed the Channel sometime between 1400 and 1450 and “bougett” became a standard part of the late Middle English vocabulary, usually referring to a leather bag or satchel. During early 18th century, the Ministers of the British Crown used to carry the plans of expenditure to the parliament. These plans were called the statements or schedules of accounts. The large leather bag, in which these plans of expenditure were carried, was called the “budget”. It is said that in 1733, the then British Prime Minister Mr. Robert Walpole referred to the inauguration of the discussions of the proposed expenditure as opening of the budget.

Budget is also defined as a “roadmap” of an organization and is essential to understand the course of action. Brown and Howard (1982) compared budget with the routine of a ship’s Captain. The voyage is planned well ahead, the routes are chosen, tides and adverse weather

forecast are taken care of and hazards are noted. After the voyages, the encountered conditions are compared with those expected and the next voyage is planned based on those experience.

2.8.1 Budgetary Control System:

In budgetary control process, at least two methods are followed:

a. Pre-authorization of expenditure – the performers are restricted of the authority of expenses up to certain level. This control is applicable only for expenses.

b. By setting predetermined goals –it may be used to set specific organizational goals such as: increase of sales, profit or reduction of costs. In this case, actual performance results are compared with the standard set, variations are analyzed, weak areas are identified and necessary remedial actions are taken. In fact, the budget starts functioning as a tool of control at three stages of the process.

Firstly, the forecasts are made from the performing department justifying their ability to perform up to certain level and their needs to support that performance- a control process of “commitment” starts here.

Secondly, with the approval of the budget, the targets are set, which the performers are committed and at the same time, is expected to maintain. That sets the responsibility.

Finally, with the comparison of the actual with the target or goal, the area of weakness or otherwise is revealed. With that the process of remedial actions begins to reverse the negative impact. That is the final aspect of the control. Another way of control which can be achieved through budget is “motivational control”. When the goals and targets are set in participation of the employees, they are motivated to do the best to meet that goal. By setting own goals, the employees understand better as to what is expected from them and where they stand with their commitments.

In this case, actual performance results are compared with the standard set, variations are analyzed, weak areas are identified and necessary remedial actions are taken. In fact, the budget starts functioning as a tool of control at three stages of the process.

2.8.2 Committee for Budget:

For the budgetary control system to work efficiently, it is desirable that the affairs of the budgetary control system should be under a centralized authority. Generally, the budget committee is that authority. It is usually entrusted with the tasks of formulating plans to prepare budgets and to coordinate amongst the all concerned. The committee is normally headed by the CFO/CEO of the company and routine affairs are conducted by the secretary of the committee. Post budget feed-back, variance analysis, etc. are done by this committee. Remedial actions, if any, are recommended by this committee, but actions are subject to approval of the Board.

2.8.3 Budget Coordination:

Business organizations generally have different operating units. These units work, to some extent, independently, but under the same management. All operating units within an organization are dependent on each other. Each of the units is engaged in different segments of operations. Through the use of budgets, these operating units have to compromise and cooperate when it concerns use of limited resources. The budget is meant to consider the organization as a whole entity.

2.8.4 Monitoring the Budget:

The budget monitoring device is generally used to measure how closely an organization is meeting its objectives in finance terms. Commitment regarding implementation of budget must be specific and measureable within specific timeframe. Effective monitoring includes evaluating the progress of the plans, the impacts and lessons learned.

2.8.5 Corrective Measures and Actions:

When performances are analyzed periodically and deviations are detected in time and the reasons for the same in details are known, taking appropriate corrective or punitive actions become easy and prompt. In case of controllable adverse variance, lapse of time in finding those would cause more losses financially. Besides, detection of causes may induce to change course of actions in due time, resulting in saving money and reducing losses.

Alternatively, positive budget variance generally is linked with Incentives or Performance Bonuses. Major positive variances may be due to deliberate unreasonable conservative forecasts incorporated into the budget by greedy and dishonest managers to reap undue benefits with clever practices. In such cases, budget targets can be revised to match with the actual performance.

In case, a performance analysis process is in practice in an organization, it serves as an indirect warning to all concerned employees. This will render the staffs to be more cautious and careful while using resources in performance of tasks. As a result, the costs may reduce and proper utilization of resources will be ensured with a sort of moral control.

2.8.6 Budgetary Practices in Bangladesh:

Budget is a very familiar word in Bangladesh even to the common people, in particular about the governmental annual budget.

After creation of corporations in 1972, budgets and control through budgets are practiced in the business also. The performances of the corporations were endeavored to enhance by the

use of budgets. In the business arena, the practice of budget is, though not wide and massive, quite prevalent in Bangladesh on a number of purposes.

These are as follows:

- a) On clarity of roles and responsibilities.
- b) On public availability of information.
- c) Open budget preparation, execution, and reporting.
- d) On assurances of integrity.

Budget is better defined by its functions that is, to control a system. It works better collaboratively with goal-setting and goal- achieving machines. The task of goal setting simultaneously assign responsibility and collaborative participation, ensures commitment to perform resulting in higher efficiency, better performance and increased profits. Practice of budget is wide in Bangladesh and is not restricted within the public sector alone. Private sector enterprises use this effective tool of management for internal control and to measure performances.

2.8.7 Budget Management Act 2009 and Budget Management of State Owned Enterprises

In the post-independence period in 1972, the abandoned and vested industrial and commercial units were taken in the state hand by creating a number of corporations with an aim to establish 'socialism' gradually in the country. In the pre independence period, East Pakistan Industrial Corporation (IPIDC) controlled a number of governmental industrial organizations, which were later vested to the newly created corporations. Of about 30 manufacturing organizations, BJMC, BTMC, BSFIDC, are remarkable ones. Bangladesh Jute Mills Corporation (BJMC) was established in accordance with Article-10 of the

Bangladesh Industries (Nationalization) Order, 1972 (Presidential Order No. 27, 1972) to regulate, inspect and coordinate nationalized jute mills.

BJMC, vested with jute mills, is managed by the Board of Directors headed by Chairman. At present there are 26 mills under this organization including 3 non jute establishments. There are 7 mills under Dhaka region, 10 under Chittagong region and 9 under Khulna region. BJMC has two regional offices to look after and coordinate regional meetings.

Each mill has a board of directors headed by the chairman or any director of BJMC and nominated representatives of Ministry of Textiles, Jute, and Finance. BJMC controls and supervises the activities of each mill.

The members of the Board of Directors monitor and evaluate the activities of the respective mills. Besides, the members provide necessary instructions and decisions for the smooth and efficient management of the mill.

2.8.8 Budget Management of BJMC and other corporations

In 2009, Government has enacted, “Budget Management Act, 2009” that provides guidelines (Section 10 -16) to prepare and apply the budget of state owned enterprises in Bangladesh.

Finance minister will declare annual budget for BJMC in the parliament before starting the current fiscal year. In that budget, the liabilities and expenditures should be shown separately. Revenue expenditures should be shown separately from other expenditures also. Finance

minister will also declare a midterm budget with at least next two years forecast in addition to current fiscal year's budget. In the midterm budget, the finance minister will show the allocated budget and the performance of BJMC in line with the government policy and strategy. Finance minister will also forecast the expected revenues, expenses, budget deficits and modes of financing of the budget. Evaluation of the internal and external sources of loan, security, risk of foreign exchange rate fluctuations, etc. are included in the budget.

Then the allocated fund is released and this information is transferred to other related departments. Internal audit and annual reports have to be prepared and proper accountability has to be ensured. Lastly, there must a budget committee headed by the Principal Accounting Officer and under this committee there must be different working committees. BJMC also prepares its budget for production and expenditures for smooth operation of the corporation. If there is any increase or decrease in the expenditure, the budget is revised and then the revised budget is placed for approval in the parliament on the month of March of each year. For any favorable or unfavorable variance in expenditures, respective officers of the related department are being rewarded or penalized. The above budgeting practice is almost uniformly applied and practiced in all state owned enterprises or corporations in Bangladesh.

2.8.9 Summary of Budget of State Owned Enterprises (SOEs) in Bangladesh /Public Sector Corporations

Details	Budget (2023-24) (all amounts are in Crore)	Amended Budget 2022-23 (all amounts are in Crore)	Approved Budget 2022-23 (all amounts are in Crore)	Budget 2021-2022 (all amounts are in Crore)

(A) Revenues:				
Operating Revenue	354,894.31	314,631.38	254,080.67	227,953.27
Non-Operating Revenue	54,967.90	84,691.90	27,193.02	34,372.31
Total Revenue	409,862.21	363,323.28	281,273.69	262,325.58
(B) Expenditures:				
Operating Expenses	412,959.67	366,635.18	278,136.84	252,790.83
Purchase of Goods and Services	391,045.07	344,853.62	257,371.12	234,255.75
Salary and Allowance	8,453.88	7,826.69	8,073.95	6,773.15
Depreciation	13,460.72	13,954.87	12,691.77	11,761.73
Non-operating Expense	11,605.83	10,428.71	6,587.69	7,826.78
Payable to Workers Fund	120.79	104.38	77.41	74.30
Interest Expense	6,455.96	5,957.30	4,858.19	4,651.99
Direct Tax Paid	5029.08	4,367.03	1,652.09	3,100.49
Total Expenses	424,565.50	377,063.89	284,724.53	260,617.61
A-B Net profit/(Net Loss)	(14,703.29)	(13,740.61)	(3,450.84)	1,707.97
Total Fund	743,567.02	697,897.60	733,541.17	661,007.74
Capital	187,436.85	194,559.20	235,382.54	202,135.49
Long-term Liability	243,192	253,395.12	293,776.18	265,069.78
Current Liability	312,930.17	249,943.28	733,541.17	193,802.47
Total assets	7,43,567.02	697,897.60	474,859.15	66,1007.74
Fixed Assets	4,69,645.49	447,901.89	258,682.02	434,869.51
Current Assets	274.921.03	249,995.71	48,878.37	226,138.23
Investment	33,882.29	26,334.35	15,215.93	72,234.79
Receipts of New Capital	8,364.43	7,014.76	28,651.01	53,775.29
Long-term loan receipts	5,370.16	50,58.50	70,27.96	4,958.31
Repayment of Long-term loan	22,892.02	23,466.11	1,121.34	5,443.24
Dividend Paid	897.40	982.92	1,25.314	879.84
Total Workforce (in Thousand)	1.31,338	1,29.805	1.25,314	1,27,516

Ratios used in the Budget

- (i) Return on Total Assets = Net Profit / Total Assets * 100
- (ii) Rate of Dividend on Equity = Dividend / Equity * 100
- (iii) Ratio of Self Finance = Cash flow from operations + Dividend Payable to Govt. / (Investment – Fixed assets sold + Change in Working Capital)
- (iv) Debt – Equity Ratio = Total Debt / Total Equity *100

- (v) Current Ratio = Total Current Assets/ Total Current Liabilities(Standard = 2:1)
- (vi) Quick Assets Ratio = Total Current Assets – Inventory / Total Liabilities(Standard = 1:1)
- (vii) Turnover of Working Capital = Operating Revenue / Total Assets
- (viii) Raw Materials Stock = Ending Stock / Cost Demand for Raw materials * 365
- (ix) Finished Goods Inventory / Cost of Goods Sold *365
- (x) Growth in Human Resources = Change in HR during the year / HR in the Immediate past year
* 100
- (xi) Cost per Ton = Total Production Cost /Total Production (in Tons)
- (xii) Cost of Goods Sold Per Ton = Total Cost of Goods Sold /Total Production (in Tons)

A. MANUFACTURING SECTOR:

Code	Name of the SOE Corporation	Operating Revenues	Purchased Goods & Services	Value Added	Salary & Allowances	Depreciation	Operating Surplus (all amounts are in Crore)
100	Bangladesh Textiles Mills Corporation (BTMC)	2,812	2,072	740	768	187	-175
100	BTMC	52	256	-204	322	109	-175
1200	Bangladesh Jute Mills Corporation (BJMC)	4,643	1,459	3,184	3,102	44	37
1200	(BJMC)	1,304	-467	1,771	14,783	9,314	-22,329
200	Bangladesh Steel & Engineering Corporation (BSEC)	2,007	663	1345	1,287	110	-52
200	BSEC	1,21,557	1,05,075	16,482	7,569	1,811	7,103
300	Bangladesh Sugar and Food Corporation (BSFC)	3,879	606	3,373	3,159	214	0
300	BSFC	87,889	66,144	21,745	32,994	1,766	-13015
400	Bangladesh Chemical Industries Corporation (BCIC)	17,70,209	17,63,960	6,249	5,829	420	0
400	BCIC	7,08,201	4,87,747	220,455	58,971	64,134	97,351

600	Bangladesh Forest Industries Corporation (BFIC)	2,470	1,311	1,160	916	50	192
600	BFIC	21,824	12,111	9,713	11,229	521	-2103
Total		27,26,947	24,40,935	2,86,012	140,929	78,642	66,441
B.		Transportation and Communication Sector					
3320	Rajshahi WASA	1,890	1,020	870	1,027	0	-157
3103	Bangladesh Power Development Board (BPDB)	59,17,194	1,03,14,110	-43,96,916	65,561	5,38,275	-5,000,752
3102	Hari pur Power Production Center 2	2,286	3,090	-804	0	0	-804
3300	Chittagong WASA	26,648	10,971	15,376	6,026	5,395	4,256
3400	Dhaka WASA	22,32,448	1,06,642	1,25,807	38,100	81,950	5,757
3310	Khulna WASA	2,922	1,227	1,695	1,264	218	213
900	Bangladesh Oil, Gas, Minerals Resources Corporation	79,900	28,862	51,038	5,745	410	44,883
2100	Bangladesh Shipping Corporation (BSC)	35,500	28,536	6,964	1,566	5,082	315
2200	BIWTA	33,330	19,675	13,655	15,803	2,000	-4148
2400	Chittagong Port Authority (CPA)	3,62,079	1,58,735	2,03,344	25,349	34,800	14,3194
2500	Mongla Port Authority (MPA)	26,950	7,143	19,807	13,627	5,720	460
2510	Bangladesh Land Port Authority (BRTC)	28,739	12,511	16,229	2,256	1,265	12,708
2800	BRTC	1,11,000	88,008	22,992	13,523	16,764	-7295
2900	Bangladesh Bridge Authority	1,16,787	65,392	51,396	1,153	6,200	44,043

	(BBA)						
Total		7,14,385	380,000	3,34,386	73,277	71,831	1,89,278
C.	Commercial Sector Corporation						
1000	Bangladesh Petroleum Corporation (BPC)	10,280,553	11,203,959	-923,406	1731	2,220	-927,357
1010	Bangladesh Petroleum Corporation	9,882,637	98,14,707	67,931	40,670	7,889	19,372
1300	Bangladesh Jute Corporation (BJMC)	0	270	-270	204	1	-476
1500	Trading Corporation of Bangladesh (TCB)	5,42,993	11,94,706	-651,713	1,512	400	-6,53,625
Total		20,706,183	22,213,641	-15,07,459	44,117	10,511	-15,62,086

Chapter: 03

Research Design & Methodology

3.1 Proposed Effectiveness Model for Budgetary Practices in the Public Enterprises in Bangladesh

The researcher has developed a model in Budgetary Practices which is as follows. Proposed Effectiveness Model for Budgetary Practices for Public and Private Enterprises in Bangladesh:

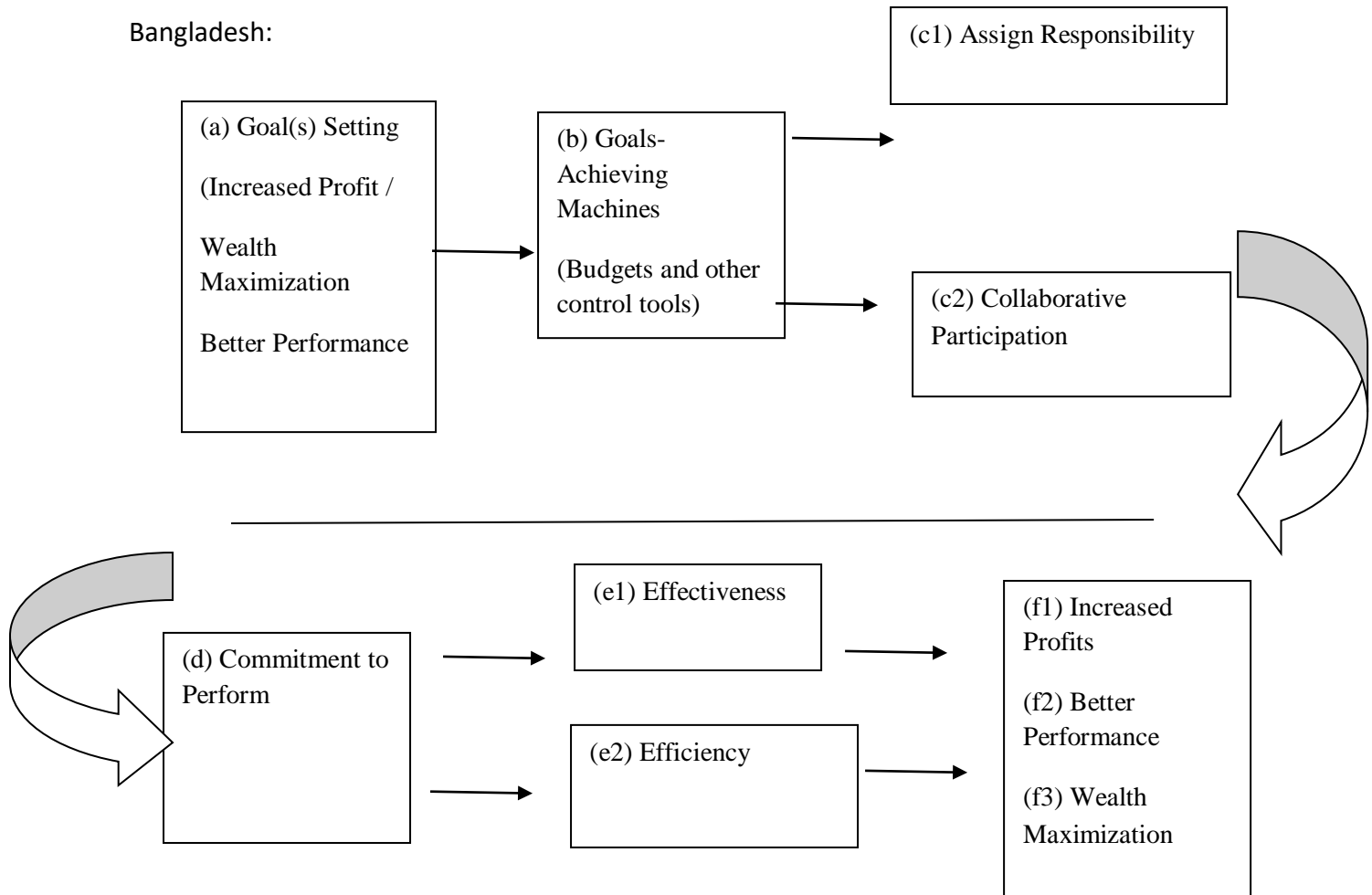


Figure -3.1: Model for Effective budgetary practices, developed by the researcher

3.2 Theoretical and Conceptual Framework

In this research, institutional theory and expectancy theory were used to accomplish a broader consideration of the effective actions of budgeting and it applies specially in the nonfinancial public enterprises of Bangladesh.

According to expectancy theory, incentive compensation packages can achieve employee’s motivation if the recipients recognize the goal is achievable (Filipova, 2016). Individuals will put more effort especially if it has a fair chance of attaining a clear objective and is related

with favourable expectations of receiving desirable consequences, according to the expectancy model of motivation (Filipova, 2016). Extrinsic or intrinsic results are possible.

This theory will fit to analyse budgetary practices if budget is utilized as a tool to examine the extent of attainability of an employee's aim. Expectancy model suggests that an individual will behave in a manner depending on the expectation of a specific outcome (e. g., starting a business will lead to financial success) and the appeal of that outcome to the individual (e. g., "Financial performance is significant to one"). Simply expressed, the theory asserts that an individual's behaviour is influenced by expected outcomes. The chance (belief) that one's efforts will lead in the achievement of specific objectives is known as expectation. The estimated possibility that an actor will reach the performance goal is referred to as expectancy. Expectancy theory not only justifies performance management, but it can also be used to figure out why the reform failed to boost public employee motivation.

In the face of financial practices issues, an institutional view, on the other hand, focuses on the process by which an organization intersects and interacts with its surroundings. Instead of assigning a reasonable internal logic to its coping mechanisms, the focus is on how governance mechanisms and activities strive to manage and control the interaction between essential parts of the external environment and the companies' internal functioning. Policy makers of the government always want to maximise the benefits from any decision (Mahmud, 2017).

3.3 Flow of Conceptual framework for effectiveness of budgetary practices

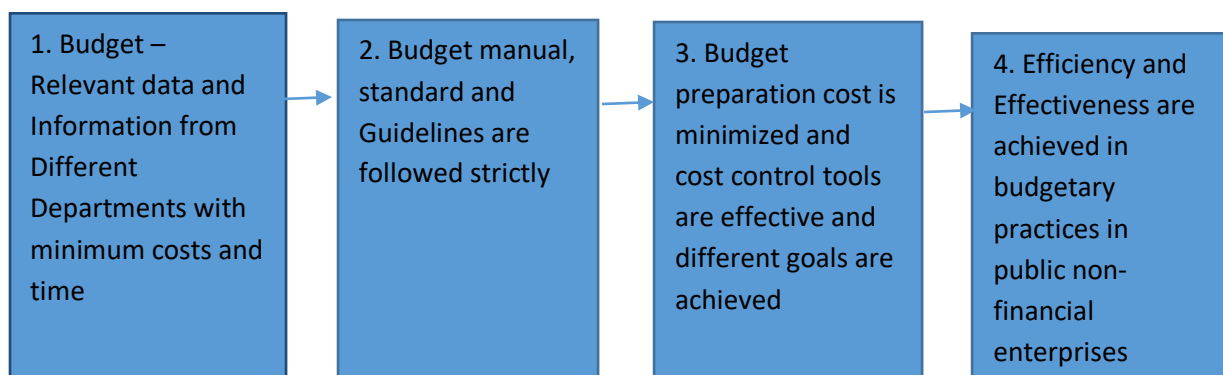


Fig-3.2: Conceptual framework for effectiveness of budgetary practices, developed by the researcher

3.4 Methodology of the Study

Two theories have been used. The study used institutional theory in parallel with expectancy theory as a theoretical lens for the exploration of public enterprises' budgetary accountability and their practices with the operational activities.

3.4.1 Approaches to Research

To achieve goal, in this study a mixed method approach with a major emphasis on quantitative approach and strong focus on qualitative approach were used.

Under the quantitative approach, based on the literature survey and other regulatory guidelines and exploratory approach, based on research propositions, the opportunity of empathetic nature of budgeting practice in the enterprises, in terms of the methods, actions, structures, etc. was identified. Some hypotheses (eight hypotheses) were developed and tested in the study. Several statistical tools were used for the study. Under the qualitative approach (which was followed on the basis of the primary findings of the quantitative approach), the generalizations under the quantitative approach were justified through the targeted lens of the theoretical framework, i.e., the institutional theory and expectancy theory.

3.4.1 a Research Philosophy

Inductive research philosophy (one to many approach) was used in this study. On the basis questionnaire responses of individual or focus group have been generalized later.

3.4.2 Research Method

According to quantitative approach, the study used both primary and secondary data. Researcher has also applied case study approach for selected seven (7) public enterprises and three (3) private enterprises in Bangladesh. Primary data was collected from interview, questionnaire, discussion with the respective officers, opinion from experts' regarding related issues and field survey were done.

In the study, the methodology of the research, is combination of quantitative and qualitative methods and the instruments of data interpretation, are statistical tools and SPSS (Statistical Package for Social Science: version 16). For sampling and data collection purposes, seven (7) non-financial public enterprises and 3 private enterprises engaged in manufacturing were randomly selected from the population of forty six (46) enterprises.

Secondary data over a long time-horizon (preferably 10 years) and primary data through a structured questionnaire survey was collected from the respondents. Data from secondary sources required for the study were collected from annual reports of public sector corporations, research related financial journals, publications and academic materials.

Secondary data were also collected from published literature, research papers and sustainability reports of different government or non-government organizations. The review of existing literature enriched the theoretical foundation and backdrop of the study.

As a qualitative approach, the study used the case study method and narrative one. Field visits, close observations of ongoing activities, enforcement and monitoring actions, and internal and external reporting – all were utilised to collect relevant data. For the purpose of narrative research, data were collected from face-to-face conversations through a list of unstructured questions with executives and other personnel who are related to the preparation and implementation of the budget procedure in the enterprises. The conversations were supplemented by further discussions and opinions from the respective officers and concerned people of the selected enterprises. The information was then transcribed in a narrative, and was validated from the respondents.

3.4.3 Respondents Inclusion Criteria:

Education level: At least Bachelor degree- holder

Training: All respondents should have training in preparation and execution of budget in the public non-financial institutions in Bangladesh.

Age limit: Minimum age 18 years; Maximum age 65 years.

Respondent's exclusion criteria:

Education level: Not having at least Bachelor degree

Training: All respondents not have training in preparation and execution of budget in public non-financial institutions in Bangladesh.

Age limit: Below 18 and above 65 years.

Population and Sample of the Study

Total Organizations (State Owned Enterprises) = 46

Population size (N) = 300

Sample size (n = 30) CFO and two officers of selected 10 selected enterprises (& public and 3 private) have been selected based on the best judgement method, applied in the sample size selection process by the researcher, and finally later mentioned,

Seven (7) Public Enterprises and three (3) private enterprises in Bangladesh were selected, including all branches for the study.

3.4.4 Method of Data Collection

Sources of data: Data was collected from both primary and secondary sources.

Sources of primary data: Primary data was collected from the respondents of the study area.

Sources of secondary data: Secondary data was collected from books, journals, different types of research, various reports, internet, etc.

Study Design: Purposive sampling method.

Data collection procedure: Through questionnaire to the stakeholder and other beneficiary group as well as related respondent with the same service.

Data collection tools

- (i) Primary data: Through Questionnaire, (Quantitative data),
- (ii) Opinion survey: Qualitative data.

**** Questionnaire and Opinion survey are attached in the appendix.**

Methods of data process: MS excel, SPSS (Statistical Package for Social Sciences), etc.

3.4.5 Data Analysis

Qualitative data has been analyzed through content analysis. The important themes have been categorized, summarized and listed in a table.

Quantitative data-

Quantitative data has been analyzed through descriptive statistics, such as frequency distribution, proportion analysis, average calculation, standard deviation calculation and calculation of coefficient of variation. Variance analysis was also done by using different formulas.

Variance = (Budget – Actual)

Finally, all the collected data were processed and analyzed to make final generalizations combining both the quantitative and qualitative approaches.

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Chapter: 4

Description of the Study Area

4.1 Overview of the Sample of Public Enterprises in Bangladesh

Bangladesh has a large number of public enterprises and autonomous bodies. State sector, government owned undertakings/firms, and state-owned firms are all terms used to describe public sector enterprises. These are entities that are founded as a result of legal procedure, and managed by the government. They create valuable goods and services. They have a clear or economically usable budget, and are expected to fund their operational costs according to their own funds. The government owns the total ownership or the majority of equity shares in a public sector firm, either directly or indirectly through governmental institutions, and it has decision-making authority, either directly or through its authorized organizations. The departmental undertakings, statutory corporations (set up by act of legislature, normally to be engaged in economic or manufacturing activities) and joint stock companies or Public Sector Company (set up under the provision of the Companies Act and involved in the work which is of substantially commercial nature) are the most common organizational structure in the public sector (Azad and Hossain, 2003: 239-240).

Among 46 non-financial enterprises which are belonged to 7 broad sectors (*Bangladesh Economic Review, 2020*), I have selected 7 public enterprises and autonomous bodies and 3 private enterprises for the research and I have also mentioned seven names below:

1. Dhaka Electricity Supply Company (DESCO)
2. Bangladesh Power Development Board (BPDB)
3. Bangladesh Rural Electrification Board (BREB)
4. Dhaka Water and Sewerage Authority (WASA)
5. Bangladesh Jute Mills Corporation (BJMC)
6. Bangladesh Textiles Mills Corporation (BTMC)
7. Bangladesh Sugar and Food Industry Corporation (BSFIC)
8. Beximco Textile Ltd.
9. Square Textile Ltd.
10. Incepta Pharmaceuticals Ltd.

4.2 Dhaka Electricity Supply Company (DESCO)

4.2.1 Introduction

Though the first power station was established in 1890 in South Asia, the industry got a legal framework in 1910 under the Indian Electricity Act, 1910. This Act defined the rights and obligations of supplier and consumer. After the British Government, East Pakistan got just 21 MW electricity in 1947 and the Government of Pakistan issued an ordinance in 1959 to create East Pakistan Water and Power Development Authority (EWAPDA).

The Executing Agency Need for Creating DESCO

To enhance electrification, government wanted to encourage private sector to engage in power sector in the private sector to meet scarcity of financial resources with private investment. And in the public sector also, government has taken initiative to create and reform agencies. So, in some areas of Power Development Board (PDB), namely, Dhaka city, Dhaka Electric Supply Authority (DESA) was created. Later, DESA was bifurcated into Dhaka Electric Supply Company (DESCO) and Dhaka Power Distribution Company (DPDC). However, without gaining positive return, it is not possible to get involvement and distribution agencies from private sector. Dhaka area is the largest territory which is consuming 50 percent of the total electricity in Bangladesh. DESA to distribute the electricity in Dhaka, was unable to perform at standard level to meet all the demands, accounts receivables, quality, and system losses. After 1992, it was predicted that DESA can perform well if the management system and control are excellent. So, new management control system, rules & regulations were needed to meet high demand of electricity and avoid losses.

4.2.2 The Structure of DESCO

DESCO was unified under the Company Act 1994 with its own identity and Government of Bangladesh acquired all shares of DESA (Dhaka Electric Supply Authority), a former company). Shareholders appointed an initial BoD to run DESCO, BoD selected a Managing Director and 2 Directors and all of them were the members of BoD after the appointment. Following is the company's organizational structure:

- DESA owned the majority of the shares of DESCO. So, the DESA chairman was the Head of the BoD of DESCO.
- BoD appointed Chief Executive Officer (CEO) accountable to the management.

- The Technical Director looked after all the development, planning, supply-demand, operations, and management of the system.
- The Finance Director is accountable for financial and commercial activities.

4.2.3 Project Financing

DESCO was equally financed by debt-equity structure and DESCO tried to come out from traditional investing pattern. However, DESCO examined to get a best output from budgetary decisions. Foreign banks and investors provided 65% and local financing supported 35% of cost of several big projects. This investment behavior made DESCO less conservative compared to previous practices. The leveraging of capital design increases the confidence level of DESCO for execution and operation of different new projects for improvement of power sector.

4.2.4 Principle of Tariff Setting

To become a profitable business institute, DESCO charged for electricity from subscribers on "cost plus performance based return" rules to adjust all capital cost, operational cost and profit. This tariff system was recommended by World Bank (WB) along with DESCO from consumers. This tariff was calculated on the estimation of assets which was acquired from DESA, project cost and investors' share. However, the billing was expressed for calculations of actual tariffs cost and foreign exchange value of Taka.

DESCO's achievements in the last 12 years:

Order	Description	June 2009	January 2021
1	Number of subscribers (people)	4,15,642	10,53,656
2	Pre-Payment / Smart Meter (Number)	9,755	5,35,075
3	System loss (%)	9.69	3.01
4	Bakayer Sammas	2.73	1.39
5	132/33/11 KV substation (number)	2	5
6	33/11 KV substation (number)	21	49
7	33/11 KV substation capacity (MVA)	60/1064	2620/38

8	Maximum Demand (MW)	545	1069
9	11 kV feeder (number)	211	439
10	Distribution line (km)	3136	-

DESCO's Vision:

Vision: To contribute to the economic development and social progress of the country by providing safe, reliable and sustainable electricity services.

DESCO's Mission:

Mission: To contribute to building a strong nation including bringing comfort to the customers' lives, supporting the business sector, providing better services to the customers, acquiring skills in the workplace and gaining the confidence of the customers in relying on DESCO.

4.2.5 Corporate Philosophy of DESCO

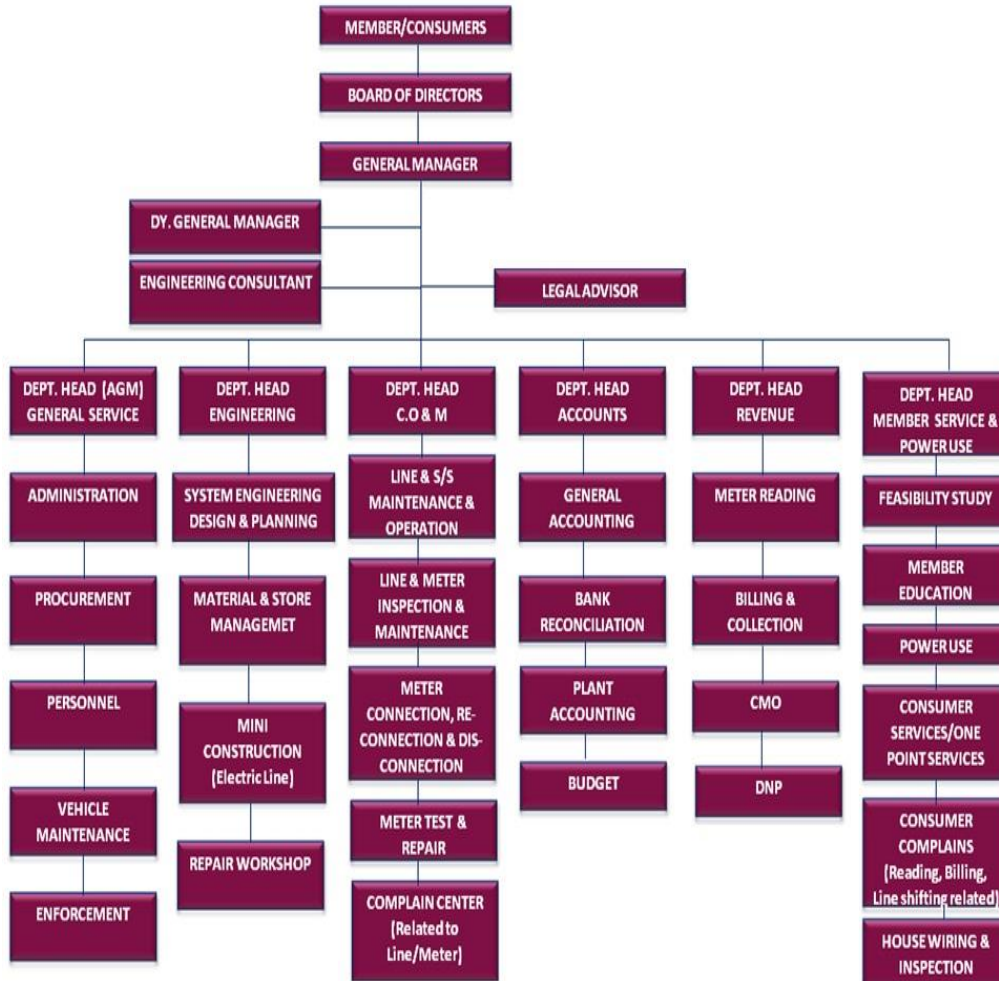
Strategic objectives of the department / organization are:

1. To increase institutional skills and capabilities,
2. To develop the power distribution system,
3. To provide new electricity connection and ensure customer satisfaction,
4. To ensure uninterrupted and quality power supply.

Essential Strategic Objectives of DESCO :

1. Increase transparency and ensure accountability in official activities,
2. Bringing dynamism in performance and increasing the quality of service,
3. Development of financial and resource system.

4.2.6 Regulating Authority:



Source: Annual Report of BPDB

Month-wise Maximum Demand of Electricity in Graph:

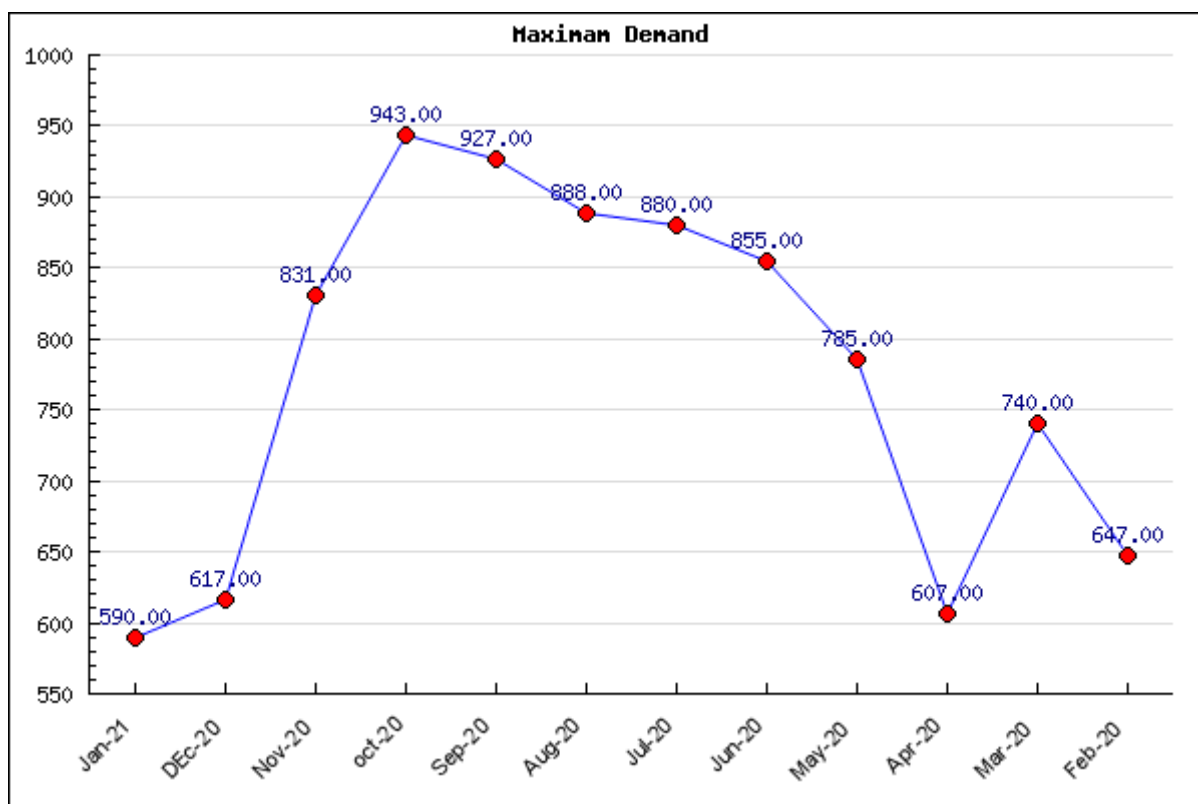


Figure: 01 Demand of Electricity by mpnth

Table: Month-wise Maximum Demand of Electricity

Month	Maximum Demand
Jan.-21	590
Dec.-20	617
Nov.-20	831
Oct.-20	943
Sep.-20	927
Aug.-20	888
Jul.-20	880
Jun.-20	855
May-20	785
Apr.-20	607
Mar.-20	740
Feb.-20	647
Jan.-20	572
Dec.-19	652
Nov.-19	802
Oct.-19	902

Sep.-19	1031
Aug.-19	1019
Jul.-19	1020
Jun.-19	1069

Table 4.1: Monthly demand of electricity of BPDB

Source: Web site of BPDB (www.bpdb.gov.bd)

Fiscal Year-wise Profit & Loss (DATA)

Fiscal Year	Income (mil. Tk.)	Expense (mil. Tk.)	Profit/Loss (mil. Tk.)
1998-1999	582	715	-133
2000-2001	1360	1440	-80
2001-2002	1517	1571	-54
2002-2003	2199	2191	8
2003-2004	4976	4638	338
2004-2005	5519	4979	540
2005-2006	6398	5524	874
2006-2007	7644	6383	1261
2007-2008	9720	7648	2072
2008-2009	10674	8533	2141
2009-2010	11616	9455	2161
2010-2011	13288	11268	2020
2011-2012	16432	15266	1166
2012-2013	23865	22737	1128
2013-2014	26644	25976	668
2014-2015	29306	27671	1634
2015-2016	32891	32445	446
2016-2017	34725	34550	175
2017-2018	37905	37401	504

2018-2019	41696	40594	1102
2019-2020	41064.9	40609.2	455.65

Table 4.2 Fiscal year wise profit and Loss

Data Source: www.bpdb.gov.bd)

Fiscal Year-wise Profit & Loss (Graph)

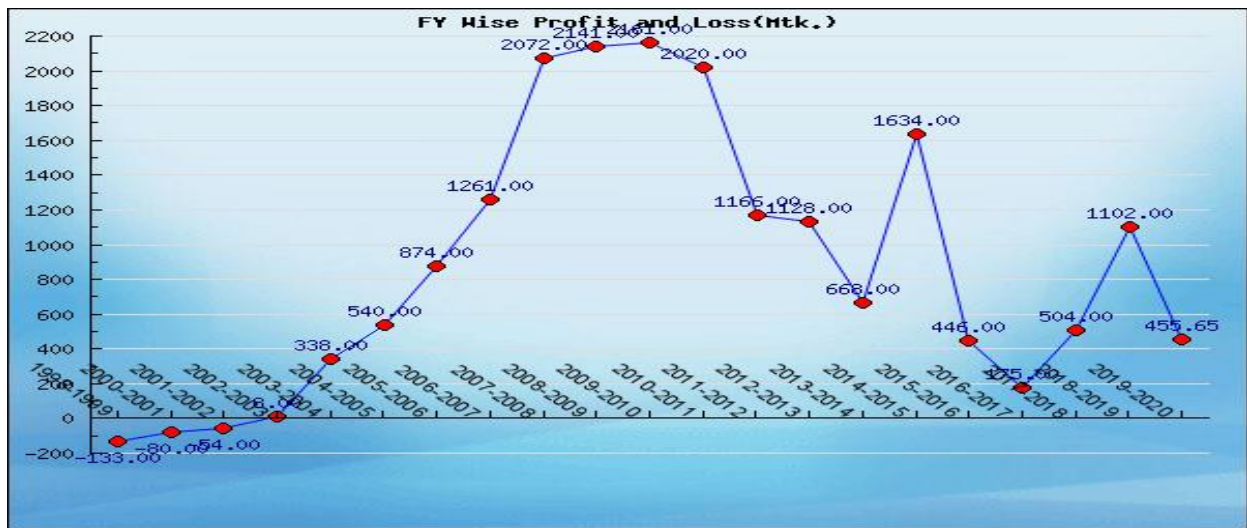


Figure: 02 Profit & Loss in graph

4.3 Bangladesh Power Development Board (BPDB)

4.3.1 The Origin of Electricity in Bangladesh

About one hundred and fifty years ago from today, the then East Bengal of British India was known as the first power user of East Bengal, India. The user was king of Bhawal Pargana in Gazipur district of present day Bangladesh. It was in the nineteenth century that he first illuminated the palace by generating electricity through generators imported from Bilat. For the people of Bhawal, who are far away from the touch of modernity, this royal and fancy endeavor has not only aroused a sense of wonder, but also awakened the sense of importance of its universal use.

Then in 1901 a generator was installed at the residence of Nawab Ahsanullah in Dhaka on December 6, 1901, at Ahsan Manzil. A British citizen by the name of Bolton, started the first power supply by pressing a switch. With the financial support of Nawab Ahsanullah, a company called Octavius Steel brought power to some of the important buildings of the then Dhaka

including Ahsan Manzil. As the power generation capacity of this company was very low, their power supply was limited to elite areas only.

In 1919, the first commercial development of a limited power distribution system in Dhaka began through a British company called Devco. Later, in 1933, the company built a 'Dhanmondi Power House' with a capacity of about 6 MW at Paribagh in Dhaka and started distributing electricity commercially. The elite residents of different parts of Dhaka were consumers of this electricity, which added another new feather to their crown of nobility.

4.3.2 Environmental Consideration

The core environmental needs of BPDB's main report are given due consideration. The proportion of stack gas and cooling water discharges from thermal plants are the main issues, and transmission system paths must not encroach on any recognized natural areas. Non-mechanized farming practices in Bangladesh, on the other hand, are such that once the lines are up, active harvesting proceeds just beneath the lines, and frequently between the legs of individual towers. Recognizing that farmland in Bangladesh is in short supply, efforts are made to renovate existing areas whenever possible.

4.3.3 Main statistics

Present installed Generation Capacity (MW) as on April 05, 2021

Public Sector:	No. of Power Plant	Installed Generation Capacity (MW)
BPDB	37	5963
APSCL	5	1444
EGCB	3	957
NWPGCL	6	1395
BR Power generation	1	149
RPCL	3	182
Subtotal	55	10,090 (46%)
Joint Venture:		
BCPCL (JV of NWPGCL & CMC, China)	1	1244
Subtotal	1	1244 (6%)
Private Sector:		
IPPs	58	7822
SIPPs (BPDB)	4	99
SIPPs (REB)	9	251
15 Yr. Rental	4	169
3/5 YR. Rental	16	1132
Subtotal	91	9473 (43%)
Power Import:		
Bheramara HVDC		1000
Tripura		160
Subtotal		1160 (5%)
TOTAL	147	21,967 *

Table 4.3 : Present installed Generation Capacity (MW) as on 05 April, 2021 (*including Captive Power & Off Grid Renewable Energy, Total installed Capacity,

$$(21,967 + 2,800 + 404) = 25,171 \text{ MW}).$$

Source: www.bpdb.gov.bd

(contd.)

MAXIMUM DEMAND SERVED FAR	13,018 MW	03-04-2021
TRANSMISSION LINES (400 kV)	861 Ckt. KM	FY-2020
TRANSMISSION LINES (230 kV)	3658Ckt. KM	FY-2020
TRANSMISSION LINES (132 kV)	7677Ckt. KM	FY-2020
GRID SUB-STATION CAPACITY (400/230 kV)	3770 MVA	FY-2020
GRID SUB-STATION CAPACITY (400/132 kV)	1300 MVA	FY-2020
GRID SUB-STATION CAPACITY (230/132 kV)	13,075 MVA	FY-2020
GRID SUB-STATION CAPACITY (132/33 kV)	25,624 MVA	FY-2020
DISTRIBUTION LINES (33 KV & BELOW) (BPDB only)	33,640 KM	FY-2020
CONSUMER NUMBER (BPDB)	32,36,802	FY-2020

Source: www.bpdb.gov.bd

4.3.4 Distribution Zones

Except for Dhaka Municipal Area and neighboring territories under DPDC and DESCO, areas under West Zone Power Distribution Company Limited (WZPDCL), and some rural regions under Rural Electrification Board (REB), BPDB is responsible for electricity distribution in most of Bangladesh's urban areas (REB). Only 58 percent of the population has access to grid-connected electricity, and per capita output is only 285 kilowatt hours (FY-2013). BPDB's distribution network currently consists of 33 KV, 11 KV, and 11/0.4 KV lines. At the end of FY 2013, the country's entire distribution line length was around 301654 km, of which 34,827 km belonged to BPDB, and the total number of consumers of various categories was about 26,53,946.

The following are the BPDB Distribution Zones:

1. Sylhet
2. Rangpur
3. Chittagong
4. Rajshahi
5. Comilla
6. Mymensingh

4.3.5 Budget Variance of BPDB

Budget:

		Budget	Corrected Budget	Approved Budget	Actual Budget	Actual Budget
Sl.		2021-2022	2020-2021	2020-2021	2019-2020	-
1	Total Revenue	5504622.26	5151890.7	5125511.23	4297484.89	4297484.89
2	Total Expenses	5188829.49	5164736	5123203.65	4298402.73	4298402.73
3	Net Profits /(Loss)	315792.77	-12845.3	2307.58	-917.84	-917.84

www.bpdb.gov.bd

4.3.6 Generation Planning

According to PSMP- 2010 Study year-wise peak demand forecast is given below.

BANGLADESH POWER DEVELOPMENT BOARD

Fiscal Year	Peak Demand (MW)
2010	6,454
2011	6,765
2012	7,518
2013	8,349
2014	9,268
2015	10,283
2016	11,405
2017	12,644
2018	14,014
2019	15,527
2020	17,304
2021	18,838
2022	20,443
2023	21,993
2024	23,581
2025	25,199
2026	26,838
2027	28,487
2028	30,134
2029	31,873
2030	33,708

Table 4.4 : Demand forecast for BPDB up to 2030.

Power System Master Plan (PSMP), 2010

PSMP (Detail)

PSMP (Summary)

Distribution planning involves various activities like load forecasting (type, location and amount), electrical and mechanical design, economic and other considerations in planning. Automation has also become important in distribution planning.

Present Installed Generation Capacity (MW) as on 31st December, 2021

Public Sector	No. of Power Plant	Installed Generation Capacity (MW)
BPDB	38	6013
APSCCL	5	1294
EGCB	3	957
NWPGCL	7	1401
B-R Power Gen.	1	149
RPCL	3	182
Subtotal	57	9,996 (44%)
Joint Venture		
BCPCL (JV of NWPGCL & CMC, China)	1	1244
Subtotal	1	1,244 (6%)
Private Sector		
IPPs	59	8,227
SIPPs (BPDB)	4	99
SIPPs (REB)	9	251
15 YR. Rental	4	169
3/5 YR. Rental	12	920
Subtotal	88	9,666 (44%)
Power Import		
Bheramara HVDC		1000
Tripura		160
Subtotal		1160 (5%)
TOTAL	146	22,066*

Table 4.6 : Present Installed Generation Capacity (MW) as on 31st December 2021(*Including Captive Power & Off Grid Renewable Energy Total Installed Capacity (22,066+2,800+418) = 25,284 MW)

MAXIMUM DEMAND SERVED FAR	13,792 MW	27-04-2021
TRANSMISSION LINES (400 KV)	861 Ckt. K.M	FY-2020
TRANSMISSION LINES (230 KV)	3658Ckt. K.M	FY-2020
TRANSMISSION LINES (132 KV)	7677Ckt. K.M	FY-2020
GRID SUB-STATION CAPACITY (400/230 KV)	3770 MVA	FY-2020
GRID SUB-STATION CAPACITY (400/132 KV)	1300 MVA	FY- 2020
GRID SUB-STATION CAPACITY (230/132 KV)	13,075 MVA	FY- 2020
GRID SUB-STATION CAPACITY (132/33 KV)	25,624 MVA	FY- 2020
DISTRIBUTION LINES (33 KV & BELOW) (only BPDB)	33,640 K.M	FY-2020
CONSUMER NUMBER (BPDB)	32,36,802	FY-2020

4.4 Bangladesh Rural Electrification Board (BREB)

4.4.1 Socio Economic Impact in Bangladesh of Ordinance & Acts of BREB

There are some infrastructural expansions in rural areas of the country necessary for any real shift in rural life patterns to occur. Prior to our independence in 1971, we had few facilities for the rural population. The government had little opportunities to expand the distribution network on a large scale. To increase the electricity in rural areas rapidly, Government established a unique organization, named Rural Electrification Directorate (under The Bangladesh Power Development Board) in 1972. NRECA directed a feasibility study in 1976 to determine the possibility of bringing electricity to every rural home and other rural institution. As a result, the Rural Electrification Board was established to spearhead attempts to modify rural living practices.

The program has reached 461 upazillas across the country in the last 48 years, making it a key development initiative. Many families who had previously been in full darkness have now found light and became thankful to the program. It has provided people the knowledge of modern living, as well as escape from poverty, malnutrition, and hunger. Several households have moved closer to their rural homes as a result of the availability of electricity. Some of them are considering new business ventures in the industrial and agricultural sectors.

Rural Electric Societies have helped poor communities and youngsters find work. As a result of the promises of basic comforts in life, rural people now have far better work opportunities, a greater sense of discipline, and a better sense of social security. Because of the expansion of the mass education program, the literacy rate in rural areas has increased dramatically.

At the end of the day's job, poor workers might enroll in night schools. They can also supervise the child's development by sitting next to them. The arrival of new consumer items like as refrigerators, televisions, radios, cassette players, and fans has revolutionized the way people live in rural areas. Villages are becoming more urbanized as a result of improved municipal facilities, regular education, sanitation, and health care, as well as increased financial activity.

This aids in the development of entrepreneurial abilities and leadership attributes. As a result, a concept of women's empowerment is emerging as a means of ensuring long-term sustainability and societal stability. This has recently piqued the interest of development specialists all over the world. Rural electricity has been a game-changer in the development of economic activity in Bangladesh's rural areas. Commercial establishments with electricity are more connected to the market. Rural power program (REP) has helped farmers achieve food self-sufficiency by allowing them to use more productive and efficient irrigation equipment.

The following are the findings and judgments of a recent USAID research on the impact of Bangladesh's power generation program in rural places:

1. Currently, 98 percent of villages are connected with electricity, including 106 million beneficiaries and 2.86 billion consumers.
2. A decrease in fuel costs was observed by 93.7 percent of electrified households (HHs). Monthly Kerosene savings for electrified HHs are 1.7 liters compared to non-electric HHs, for a total of 8.6 million liters of Kerosene worth US\$ 3.74 million.
3. The electrified HHs have a literacy rate of 71%, while the un-electrified HHs have a literacy rate of 54%.
4. Between darkness and sleep, electrified HHs utilize 50 minutes more than non-electrified HHs.
5. 78.2 percent of HHs said their working hours have increased.
6. 62.0 percent of HHs said their income has increased.
7. 81 percent of HHs said their reading habits had improved.
8. 93.7 percent of parents said their children's study time has increased.
9. The number of people who reported a rise in amusement as well as their standard of living was 92.0 percent.
10. 94.7 percent said they got an improvement in financial security.
11. Only 29% of non-electrified HHs use a hygienic latrine, compared to 61 percent of electrified HHs.
12. Over half of electrified HHs have a television, and 70% of HHs say they watch TV.
13. Females in electrified HHs spend 65 minutes per day watching TV, 56 minutes

14. Earning money, and 161 minutes per night participating in social and economic engagements.
15. The main source of knowledge for 64% of women in electrified HHs was television.
16. In the electrified HHs, 11 percent of the women engage in income-generating handicraft/sewing activities.
17. Women in electrified HHs reported permitting young girls and women to work outside the hamlet in 53% of cases.
18. Seventy-one percent of electrified HH women believe that a couple should have two children.
19. Around 25% of electrified HHs have radios, and 39% of women listen to the radio for an average of 27 minutes every day.
20. In electrified HHs, there are approximately 18.8 million bulbs, 2.3 million tube lights, 8.5 million electric fans, 2.7 million TVs, 1.5 million electric irons,.3 million refrigerators,.2 million mobile phones, and.1 million juice machines.
21. In comparison to non-electrified establishments, electrified shops are open for an additional 99 minutes after dark.

Study based on the findings described above, it is reasonable to conclude that rural electrification has significant and far-reaching economic, socio-cultural, and demographic effects on the lives and livelihoods of Bangladesh's rural people. It has a long-term impact on agricultural development, industrialization, and economic and commercial activity. It has an impact on human capital formation by facilitating knowledge acquisition through exposure to electricity-driven media. As a result, in order to accelerate economic growth, strengthen pro-poor orientation in the developmental process, achieve the millennium development goal with a focus on PRSP, and further boost human development in Bangladesh, access to electricity for households and social and economic entities should be expanded as quickly as possible.

4.4.2 Relevant Acts, Ordinance and By-Laws of BREB

- (1) REB Ordinance, 1977
- (2) BREB Act, 2013
- (3) REB byelaws
- (4) REB-PBS Model Bye-Laws
- (5) REB employee service code, 1990
- (6) PBS employee service code 1992 (Amendment 2012)
- (7) Instruction Series (Index)
- (8) ELECTRICITY ACT, 2018
- (9) ELECTRICITY RULES, 2020
- (10) BREB Employee Service Regulation, 2018.

Source: www.breb.org

Source: www.breb.org

Mission and Vision of BREB

Goal:

To provide quality electricity to all the people of Bangladesh.

Objective:

To bring all the people of the country in electric service by 2021.

Vision:

Ensuring 100 percent Electrifications within Mujib Year under the pledge “SHEIKH HASINA’s Initiatives – Electricity in Every House”. Providing quality consumer service through sustainable & uninterrupted power supply within fair & affordable cost.

Mission:

Upgrading the living standard of the rural people through reliable power supply in the countryside including the Off- Grid areas within 2021 by an integrated development in power distribution system.

4.4.3 BREB at a Glance:

REB or BREB was established with an objective to electrification in the rural areas, as villages and agriculture are prime mover of GDP and economic development in Bangladesh. After launching in the 1980s, it contributed a lot in electrification and economic progress in the rural areas.

4.4.4 Pre-payment Meter Project:

With the slogan "Sheikh Hasina's initiative, electricity in every house", the government is committed to provide electricity to every household in Bangladesh by 2021. Introduced pre-payment meter in 2011 to make efficient use of generated electricity and prevent wastage as well as create automatic billing facility. Currently, pre-payment meters are being further modernized and standardization of on-line smart pre-payment meters is being prepared. Initiatives have been taken to purchase 2.0 crore pre-payment meters by 2025.

Advantages of Pre-Payment Meter (Government):

- Advance revenue collection.
- Overload control.
- Pick-load Fixing / Re-fixing facility.
- Auto Connection / Disconnection facility.
- Encouraging moderate power consumption.
- 100% accurate billing.
- Reduce manpower costs for billing.
- Reduce billing overhead (paper / ink).

Advantages of Pre-Payment Meter (Customer)

- 01% rebate is being given from the previous bill.
- There is no estimated (ghostly) bill.
- Visible power consumption according to the load used.
- Auto Connection / Disconnection facility.
- Decreased official formality.
- Low-credit alarm facility.
- Emergency Balance, Friendly Hour facility exists.
- The meter does not turn off during weekly and public holidays.
- Eliminate billing complications in tenant or government housing.
- Save time paying bills.

4.4.4 100 Percent Electrification Program

Serial Number	100% Electrification time line	Number of Upazilas
01	August 13, 2016, Honorable Prime Minister Inaugurated these projects.	6
02	March 01, 2017, Honorable Prime Minister inaugurated these projects.	10
03	September 10, 2017, Honorable Prime Minister inaugurated these projects.	10
04	December 10, 2017, Honorable Prime Minister inaugurated these projects.	10
05	April 12, 2018, Honorable Prime Minister inaugurated these projects.	15
06	July 14, 2018, Honorable Prime Minister inaugurated these projects.	7
07	August 05, 2018, Honorable Prime Minister inaugurated these projects.	21
08	October 27, 2018, Honorable Prime Minister inaugurated these projects.	1
09	November 01, 2018, Honorable Prime Minister inaugurated these projects.	102
10	November 02, 2018, Honorable Prime Minister inaugurated these projects.	4
11	February 06, 2019 Honorable Prime Minister inaugurated these projects.	12
12	March 14, 2019, Honorable Prime Minister inaugurated these projects.	03
13	September 11, 2019, Honorable Prime Minister Inaugurated these projects.	10
14	November 13, 2019, Honorable Prime Minister inaugurated these projects.	23

15	February 12, 2020, Honorable Prime Minister inaugurated these projects.	23
16	August 27, 2020, Honorable Prime Minister inaugurated these projects.	31
	Total Inaugurated Projects by Honorable Prime Minister =	288
	Waiting for Inaugural -Projects =	173
17	March 2018 –Completed Power Plants	09
18	June 2018 -Completed Power Plants	03
19	December 2018- Completed Power Plants	06
20	January 2019 - Completed Power Plants	2
21	February 2019 - Completed Power Plants	3
22	March 2019 - Completed Power Plants	7
23	April 2019 - Completed Power Plants	3
24	May 2019 –Completed Power Plants	6
25	June 2019 –Completed Power Plants	3
26	July 2019 - Completed Power Plants	6
27	August 2019- Completed Power Plants	3
28	September 2019 - Completed Power Plants	8
29	October 2019 - Completed Power Plants	14
30	December 2019 - Completed Power Plants	41
31	January 2020 - Completed Power Plants	8
32	February 2020- Completed Power Plants	5
33	May 2020- Completed Power Plants	3
34	June 2020- Completed Power Plants	22
35	July 2020- Completed Power Plants	15
36	August 2020- Completed Power Plants	6
	Upto August 2020 =	461
	Total Projects =	461

Source: www.breb.org

4.5 Dhaka Water and Sewerage Authority (WASA)

4.5.1 Introduction

In 1963, Government of Pakistan decided to create an independent organization for Dhaka city dwellers for water supply and sewerage disposal and named Dhaka Water Supply & Sewerage Authority (DWASA) under the Ministry of Local Government, Rural Development and Co-operative. Moreover, Narayanganj water supply service also came under the monitoring of DWASA in 1990.

After the independence of Bangladesh, DWASA segregated its service areas in eleven geographical sectors including ten in Dhaka and one in Narayanganj for serving better service, monitoring, technical actions, revenue bills and other activities and all these actions are taken from zonal offices. At present Dhaka WASA is rightly operating as a service oriented and commercial organization. Mainly the history of pure drinking water supply started in so many years ago when Nawab Khaja Abdul Gani took the initiative in 1874 to establish Water Filtering Plant in Chadnighat though the production scale was very low. After the British period, 1st “Mega Plan” was taken in 1959 for the development of Dhaka when just 5.75 lacs people were lived. In 1996, RAJUK took an initiative of 2nd “Mega Plan” with 10 million people and 590 square miles though the present population scale is more than 22 million. DWASA is currently serving more than 22 million people.

4.5.2 Paid-up Capital:

All expenditures associated with projects, such as civil construction, property development, interest, exchange loss/gain, and line in progress, are included in capital work-in-process. Import duties, non-refundable taxes, and VAT are all charges that must be paid. Construction/acquisition of property, plant, and equipment is also accounted for as capital work-in-progress until the construction/acquisition/project is completed and measured at cost. Between 1996 and 2013, a total of Tk 238,856,014 was lost owing to twice recording of expenses, once while making provision for expenses and again when making payments

instead of reversing the provision. In 2014, a total of Tk 6,644,636 was capitalized incorrectly as property, plant and equipment rather than operating expenses under inspection and replacements.

Vision:

Through environmentally responsible, people-oriented, and long-term water management, to become Asia's best water supplier in the public sector.

Mission:

- Providers of the best customer service;
- Reducing reliance on under-ground water to increase surface-water use;
- Establishment of a corporate system in management and administration;
- Ensuring high levels of accountability and transparency across all services and operations;
- To increase efficiency in all activities of Dhaka WASA and reduce operating costs.

4.5.3 Achievements of DWASA under "Turn Around Programme"

- Prime Minister Sheikh Hasina took an initiative into environment friendly water management system in 2009 for people and change management policy, vision and mission to turn this organization more capable.
- Dhaka WASA can currently produce 255 core liters of water per day, compared to a daily need of 245-250 core liters.
- DWASA's revenue income has increased from 3 billion taka to more than 13 billion taka.
- Megaprojects in the water supply and sewerage sectors are being implemented.
- From 0.90 to 0.67, the operating cost has been lowered.
- Introducing District Metered Area (DMA), a cutting-edge water supply management technique that reduces system loss or (NRW) from 40% to 5%.

- Providing a safe and legal water delivery network to low-income communities (LICs) or slum residents.
- Introduced a 100% online billing system that also accepts payments via SMS.
- Introduced the 'Digital WASA Green WASA' culture to encourage green behavior in the workplace.

4.5.4 Statistics on water supply, sewerage, drainage, and revenue and expenditure

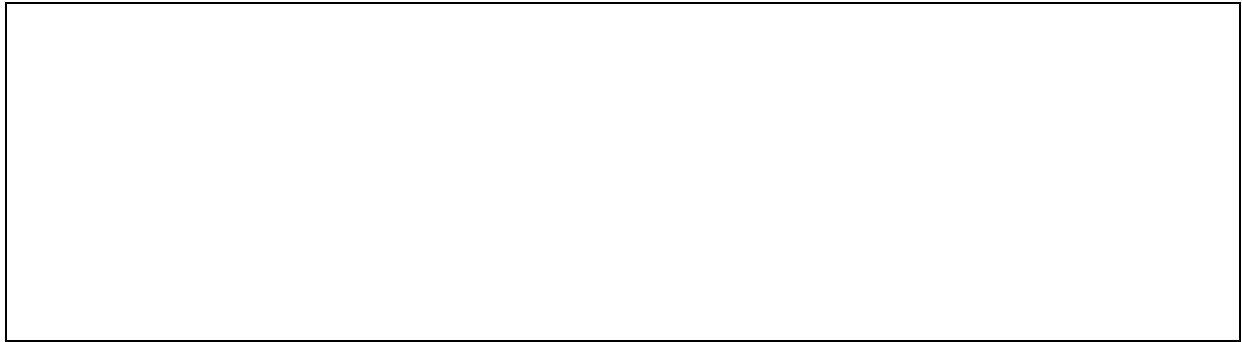
Water Supply

Item / Year	Unit	2015-2016	2016-2017	2017-2018	2018-2019
Deep Tube-well	Nr	760	795	827	887
Water Treatment Plant	Nr	4	4	4	4
Water Production/day	MLD*	2430	2450	2500	2550
Water Line	Km	3500	3600	3720	3750
Water Connection	Nr	3,61,938	3,71,766	3,79,686	3,90,642
Overhead Tank	Nr	38	38	38	38
Street Hydrant	Nr	1643	1643	1643	164

MLD* - Million Liter per Day

Sewerage

Year / Item	Unit	2015-2016	2016-2017	2017-2018	2018-19
Sewer Line	Km	930	930	934	934
Sewer Lift Station	Nr	26	26	26	26
Sewerage Treatment Plant	Nr	1	1	1	1



Drainage

Year / Item	Unit	2015-2016	2016-2017	2017-2018	2018-19
Storm Sewer Line	Km	350	350	370	380
Open Canal	Km	74	74	78	80
Box Culvert	Km	10.5	10.5	10.5	10.5
Permanent Pumping Station		4	4	4	4
1. Kalyanpur		20 m ³ /s	20 m ³ /s	20 m ³ /s	20 m ³ /s
2. Dholaikhal		22 m ³ /s	22 m ³ /s	22 m ³ /s	22 m ³ /s
3. Rampura		25 m ³ /s	25 m ³ /s	25 m ³ /s	25 m ³ /s
4. Kamalapur		15 m ³ /s	15 m ³ /s	15 m ³ /s	15 m ³ /s

Revenue Income-Expenditure (in million Taka)

Year	2015-2016	2016-2017	2017-2018	2018-2019
Revenue Income	9,713	11,554	13,024	1,443.96
Revenue Expenditure	9,524	11,328	12,742	1,404.09
Profit/Loss (+/-)	189.00	226	282	39.87

Table 4.5 Water and Sewerage Billing and Collection (in million Taka)

Year	2015-2016 (Lac)	2016-2017 (Lac)	2017-2018 (Lac)	2018-2019 (Lac)
Billing	8,841	1,05,285.95	11,91,110.47	13,062
Collection	8,574	1,00,055.82	1,17,942.50	13,067
Bill Receivable (Dues)	4,035	44,711.09	45,881.06	4,584
Equivalent dues billing (monthly)	5.51	5.46	4.96	4.46

Water Tariff

(BDT)

Category /Year	2014-15	2015-16	2016-17	2017-18	2018-19
Domestic	8.09	8.49	10.00	10.50	11.02
Commercial	26.94	28.28	32.00	33.60	35.28
Industrial	26.94	28.28	32.00	33.60	35.28
Community	8.09	8.49	10.00	10.50	11.02
Government	26.94	28.28	32.00	33.60	35.28

Development Projects

Year	2015-2016	2016-2017	2017-2018	2018-19
Water Supply	5	5	5	7
Sewerage	3	1	1	1
Drainage	1	1	2	2
Technical Assistance Project	0	2	2	1
Total	9	9	10	11

Table 4.7: Demand and Supply of Water by Dhaka WASA (1963-2018)

Year/	Population (M)/	Water Demand (ML)/	Water Supply Capacity (ML)/	Shortage (ML)/	TW
1963	0.85	150	130	20	30
1970	1.46	260	180	80	47
1980	3.03	550	300	250	87
1990	5.56	1000	510	490	216
1996	7.55	1300	810	490	216
1997	8.0	1350	870	480	225
1998	8.5	1400	930	470	237
1999	9.0	1440	1070	370	277
2000	9.5	1500	1130	370	308
2001	10.0	1600	1220	380	336
2002	10.50	1680	1300	380	379
2003	11.02	1760	1360	400	391
2004	11.56	1850	1400	450	402
2005	12.15	1940	1460	480	418
2006	12.65	1900	1540	460	441
2007	13.15	1980	1660	320	465
2008	13.65	2050	1760	290	490
2009	14.15	2120	1880	240	519
2010	14.50	2180	1990	190	560
2011	15.00	2240	2150	90	599
2012	15.00	2240	2180	60	615
2013	15.00	2250	2420	-	644
2014	15.00	2250	2420	-	672
2015	15.80	2250	2300	2420	702
2016	16.00	2400	2450	-	795
2017	17.00	2450	2500	-	827
2018	20.00	2500	2550	-	887

4.6 Bangladesh Jute Mills Corporation (BJMC)

4.6.1 Introduction

Bangladesh Jute Mills Corporation (BJMC) was established in accordance with Article 10 of the Bangladesh Industrial Establishment (Nationalization) Order 1972 (Presidential Order No. 26, 1972) for the control, inspection and coordination of nationalized jute mills. BJMC is governed by a Board of Directors headed by a Chairman. At present there are a total of 26 mills under this organization including 3 non-jute companies. There are 6 mills under Dhaka

region, 10 mills under Chittagong region and 9 mills under Khulna region. BJMC has two regional offices to look after and coordinate regional mills.

There is a Board of Directors headed by the Chairman or any Director of BJMC and nominated representatives of the Ministry of Textiles and Jute, Ministry of Finance, BJMC and the bank to control and inspect the activities of each mill. Board members observe and evaluate the activities of the respective mill. In addition, the members provide necessary instructions and decisions for the smooth and efficient management of the mill.

In all the areas where jute is produced, BJMC procures jute by ensuring fair prices to the farmers through 182 jute purchasing centers. As the largest manufacturer of jute goods, BJMC mainly manufactures hessian cloth, bags, sack cloth, sacks, yarn, geo-jute, blankets, coarse cloth, CBC, etc., which are made entirely of natural fibers. The sales department of BJMC arranges sales of these products as per the demand of domestic and foreign buyers. Thus, BJMC plays an important role in earning valuable foreign exchange in the national economy.

At present BJMC is the largest industrial enterprise in the country in terms of manpower. The company has about 80,000 workers and 5,500 officers and employees directly employed. Indirectly, about 6 million agricultural families make a living through them. Directly or indirectly, more than 50 million people in this country are dependent on jute and jute industry.

Philosophy

To establish BJMC as a self-reliant and profitable company.

The goal

- Establishing control over world market for BJMC and ensuring maximum benefits.
- The best quality jute products are produced using local raw materials.
- Achieving 100% foreign exchange.
- To assist the farmers in obtaining fair price of jute
- Encourage the use of environment-friendly natural fibers instead of synthetic fibers.

- To suggest to the government in formulating and implementing timely policies for the development of jute and jute industry.

4.6.2 BJMC as a Place for all kinds of Jute Goods

BJMC is only a phone call away. It only asks that you state your requirement. The rest is mostly on BJMC. Regardless of how you want to do your task, the BJMC is ready to assist you. It's as if you could just stay at home and have all of your desires fulfilled. BJMC understands that loyal consumers aren't just looking for items; they're also expressing their concerns and needs, which are high on BJMC's priority list.

4.6.3 Reasons to prefer BJMC:

- A government owned organization of Bangladesh under the Ministry of Jute & Textile.
- One of the world's most well-known manufacturers
- Ensures top-notch performance
- Price that is reasonable
- Experts inspect the quality and multinational survey agencies conduct the surveys.
- Customization of products
- Reliable promises
- On-time and hassle-free delivery.

4.6.4 BJMC and Environment

In all aspects of its operations, BJMC places a premium on maintaining a healthy working environment. The BJMC occupies every floor of its Head Office, which is well-equipped with the necessary rooms, furniture, and equipment for the authorities.

All departments under the separate BJMC Directorates carry out their duties, which include overseeing the operations of the organization's jute mills. All of the officers and staff carry out their duties in a friendly, team-oriented environment. They are aware of the organization's objective and goal, and are committed to achieving those.

The BJMC operates jute mills in several locations across the country. They are organized into three BJMC Zonal Offices, which are located in Dhaka, Chittagong, and Khulna, respectively. The Zonal Offices work closely with the BJMC Head Office and the jute mills that fall under their jurisdiction.

Each of the organization's jute mills is placed in strategic locations throughout the country, with excellent connectivity and logistics. They are well-kept, with all necessary infrastructures, machinery, personnel, and equipment in place. Jute mills also have a healthy working environment. Every jute mill's enclosure includes a factory building, several departmental offices, residential buildings, a primary medical treatment center, a mosque, a school, a club, a subsidized restaurant, a playground, and a large number of plants and trees.

4.6.5 Research and Quality Control

Research Division:

Bangladesh is a developing country whose main crop, jute, earns more than 7-8 percent of the country's foreign money. Since the country's freedom in 1971, we have devoted all of our efforts to improve the global jute goods market by implementing comprehensive research and quality control activities in mills and manufacturing goods in accordance with current market demand.

BJMC's Research Division was founded in 1984. The following are its functions and activities:

- In coordination with BJMC's Production Department, prepare counter samples of a variety of products and food-grade jute bags according to buyers' requirements and standards.
- Preparation of novel items to broaden the range of jute products.

The following are some of the novel diverse jute items produced by Research Division, as well as their applications:

Jute Blanket

(i) Union Fabric

(ii) Union Canvas

(iii) Garbage Bags

Printed Bags

Jute decorative and consumer products

Jute Nursery Sheets and Pots.

Food-grade Jute Bags

Quality Control Division:

A few large jute mills had the capability of performing in-process quality assurance before to Bangladesh's independence. In most mills, in-process quality management facilities have been added after liberation. The system's primary goals are as follows:

- To meet the needs of the purchasers while adhering to the required specifications.
- To limit the number of damaged goods produced.
- To cut down on stage-by-stage waste.
- To increase productivity while lowering costs.
- To direct and manage the entire manufacturing process.

4.6.6 Jute at a Glance

i) Piling: Jute morrahs are stacked in a pile form after application of emulsion to aid bacterial development in fiber, which serves to enhance the spin-ability of strong organic jute fiber.

ii) Carding: Jute is transformed into fleece with a specific weight and length at this stage. Two cards are utilized in the typical process: the Breaker Card and the Finisher Card.

iii) Drawing: By doubling and drawing action, slivers are brought into a more uniform and acceptable state to shorten the spinning frame.

iv) Spinning: The sliver is translated into the needed yarn count based on the urgent necessity of the next procedure.

v) Winding: Yarns are split into two groups in this state: one is warp, which is spool-based, and the other is weft, which is cop-based. Here, Quality Control looks for faulty knots, bad winding, and poor mixing, among other things, to ensure that these flaws do not impair the weaving performance.

vi) Beaning / Starching: Yarns are split into two groups in this state: one is warp, which is spool-based, and the other is weft, which is cop-based. Here, Quality Control looks for faulty knots, bad winding, and poor mixing, among other things, to ensure that these flaws do not impair the weaving performance.

vii) Weaving: On the basis of random sampling on the loom, the detailed specification of the cloth is examined here. Quality Control staff convey any divergence from the standard specification in terms of width, porter, shoots, weight, or any other weaving defect to floor personnel for spot repair.

viii) Finishing: Damping, calendaring, lapping for cutting, and bundling are all part of this procedure. Quality Control collects samples at random for fault / variation detection at each phase. The findings are shared with the relevant production people so that prompt corrective action can be taken if necessary.

4.7. Bangladesh Textiles Mills Corporation (BTMC)

4.7. 1 Overview of BTMC:

Bangladesh Textiles Mills Corporation (BTMC) was established in the year 1972 (Act # 27). BTMC started its operations with 74 Mills (nationalized) on July 01, 1972. Later 12 mills

started their operations under annual development program, BTMC sold 58 mills since 1977 to till 2010. It has 623.95 acres land for textile mills.

BTMC is going to develop green projects by modernizing textiles mills through PPP and Joint Venture initiatives with local and foreign investors. 16 textile mills are running under PPP through the order of honorable Prime Minister in 2014.

Vision: To play effective role in flourishing the Textile Industry in Bangladesh.

Mission: To contribute to the economic development by utilizing the resources of the mills of BTMC.

4.7.2 Functions of BTMC:

- a) To operate the BTMC owned textile mills smoothly and re-open the shut-down mills.
- b) To build BTMC as a quality organization through manufacturing high quality thread and fabrics.
- c) To identify the mills which can operated and PPP and create congenial environment for the foreign investors and contribute for the Textile Sector.

4.8 Bangladesh Sugar and Industries Corporation (BSFIC)

4.8.1 Overview of BSFIC:

Bangladesh Sugar & Food Industries Corporation (BSFIC) emerged as a single corporate body from 1st July, 1976, which is the result of merging of two separate corporations, i.e., Bangladesh Sugar Mills Corporation (BSMC) and Bangladesh Food & Allied Industries Corporation (BFAIC) which were established on 1st July, 1972, under Presidential Order No. 27 of 26th March, 1972. BSFIC is a sector corporation under the Ministry of Industries.

The general administration of the affairs and business of the corporation is vested with a Board of Directors comprising Chairman and five Directors (Finance, Marketing, Production & Engineering, Planning & Development and Cane Development & Research).

Vision: To bring BSFIC to a profitable organization through increasing sugar production and increasing production of by-products.

Mission: To increase quality sugar production and to distribute it to the consumers, to expand market of the diversified by-products and to bring BSFIC as a profitable organization

4.8.2 Objectives of the Corporation:

The basic objective of BSFIC is to help in building the national economy through:

- (i) Implementation of the industrial policy of the government;
- (ii) Identification and preparation of new development projects with the approval of the government;
- (iii) Proper implementation of the approved development projects;
- (iv) Planning and implementation of sugarcane development schemes for the smooth operation of the enterprises at maximum level of efficiency;
- (v) Development of human resources at high level of efficiency;
- (vi) Making available import substitute and quality products at reasonable prices.

4.9 Beximco Textile Ltd.

BEXIMCO encompasses one of South Asia's largest vertically integrated textile and garment companies. The Textile division is a fully integrated manufacturer of cotton and polyester blended garments for men, women and children, both for domestic and export markets. BEXIMCO is also the largest exporter of pharmaceuticals in Bangladesh with presence in 55

countries. The Pharmaceuticals division manufactures and sells generic pharmaceutical formulation products, active pharmaceutical ingredients (API) and intravenous (IV) fluids. The Group is also the largest ceramics exporter in Bangladesh.

Mission:

BEXIMCO Limited is a full-service vendor with strong vertical production facilities and creative and analytical capabilities, which sets us apart from other South Asian vendors.

Vision:

Mass creation, the most desirable and innovative garments, provision of affordable prices, using the best technology and sustainable raw materials and processes.

Core Values:

Beximco believes in 3P's triple bottom line considering: People (Including own personnel as well as community), Planet and Profit, the first two taking precedence over Profit.

Beximco Textile Ltd. was incorporated in Bangladesh on March 8, 1994 as a public limited company with limited liabilities. The company commenced its commercial operations in 1995, and in the same year it went into public issue of shares and debentures. The shares of the company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.

Beximco Textile Ltd. is the most modern composite mill in the region. It has an installed capacity of 288 high-speed air-jet looms in its weaving section, as well as a high-tech dyeing and finishing section with a capacity of 100,000 yards of finished fabric per day. The company is located at the BEXIMCO Industrial Park.

Beximco Textile Ltd. has a state-of-the-art composite knit fabric production mill, which serves the growing needs of high-quality knit garments exporters in Bangladesh. The project was set up as an ultra-modern knit fabric including knitting, dyeing and finishing facility. Throughout the years, the company has produced and sold high-quality knit fabrics and is bringing forth all the latest hard and soft technologies in knitting, dyeing and finishing of knit fabric.

Furthermore, the company has a cotton and polyester-blended yarn-spinning mill with 122,000 spindles, making it one of the largest spinning mills of the country. The mill was set up to feed the country's export-oriented industries.

- 40,000 employees from many nationalities,
- Annual Turnover US\$ 500 million,
- Full Vertical Infrastructure,
- Global Footprints for Services & Manufacturing Collaborations,
- Employer of Choice,
- Innovation & speed for Multi Product Categories,
- Strong Design Support, etc.

4.10 Square Textile Ltd.

History:

SQUARE ventured in 1958 and paced faster towards growth and stability led by a visionary leader – Samson H. Chowdhury. SQUARE Group today generates over a billion-dollar revenue with exports to over fifty countries around the globe. Burgeoning to multiple companies, the group has now businesses as diverse as healthcare, textiles, food & beverages, cosmetics & toiletries, media, and information technology. It is one the country's top business houses that has become the number one job creator having a large and diverse skilled workforce in employment.

SQUARE was founded on a vision to serve people with products and services that help them to live better lives. With a pioneering spirit, SQUARE is building multinational businesses having significant investments in different parts of the world. The philosophy deeply ingrained in entrepreneurial DNA, has been incorporated in design of thinking of all the business operations. The group has achieved many recognitions of national and international importance for its stringent compliance to quality, regulatory guidelines, and best practices.

Although started the journey in 1958 with four friends, Samson H. Chowdhury led SQUARE through its journey to become a market leader in multiple industries. After his demise, his children took charge of one of the oldest institutions in the country, which is now being led by the grandchildren of his family. Together, the Chowdhury family is leading the institution into a multi-national entity, with the first foreign branch of the country through SQUARE

Pharmaceuticals factory in Kenya with an investment of Tk. 160 crore. In addition, the directors are also planning on an expansion into the USA in the near future.

Vision, Mission & Values:

Vision

The mission statement of the company holds vision to create value and impact in society by way of improving quality of life and ensuring well-being of people.

Mission

The vision statement of the company holds mission to achieve higher efficiency to develop and deliver affordable products and services to society for better standard of living.

Values

The vision statement of the company holds core values which are as follows.

- (a) We are in society as a corporate citizen to strengthen the communities and neighborhoods by integrating them in the process of development.
- (b) We care about maintaining environmental sustainability and preserving nature's ecosystem for a healthier planet.
- (c) We are in business for economic success for advancing the world towards more viable solutions, products and services.

Core Focus of the Company:

The vision statement of the company holds core focus like the followings.

- Employee diversity with equal opportunity.
- Respect for the customer and the people.
- Compliance and quality in design.

- Truth, morality, transparency and ethics.
- Zero tolerance to corruption.

Square Textile Ltd. was establishment in 1997. A year later, Square stepped on to its second unit. In the same premises, square established its third unit on 2000.

SQUARE realizes the need to stake out a competitive segment in the changing global market of today through technological excellence and human expertise. **SQUARE** is committed to transpose its local success to the world scene.

Core Focus of the Company:

- To establish ourselves as a one stop source for the Global Knit Apparel market.
- To satisfy and meet customer's expectation by developing and providing products and service on time, which offer value in terms of Quality, Price, Safety & Environmental impact.
- To assure complete compliance with the international quality standards.
- To provide the employees internationally acceptable working condition and standards.
- To promote the development and best use of human talent & equal opportunity employment.
- To procure the most advanced & sophisticated technology suitable for producing desired product.
- To attain highest level of competence through continuous development of the professional management system and to ensure complete transparency in all aspects of business.

4.11 INCEPTA Pharmaceutical Ltd.

Introduction:

Incepta began its operation with a handful of highly skilled and dedicated professionals guided by an able leadership. Proper strategic planning, technical excellence, swift and timely decisions helped the company to achieve the objectives leading to faster growth.

Incepta was able to anticipate the need of the market and provide the right product at the right time. High focus and investment on R & D from the very beginning made possible the introduction of quality products ahead of its competitors in most cases. Incepta Pharmaceuticals Ltd. is now the 2nd largest Pharmaceutical Company of the country and is recognized as one of the fastest growing top five manufacturing companies in the country. Established in the year 1999, the company has come a long way.

Growth in Comparison with Local Pharma Market (IMS* Data):

From the very beginning Incepta has focused on launching newer and innovative products. High investment in R&D and advanced technology has allowed the company to launch approximately more than 600 generics, approximately 1300 preparations, 267 of which were "first ever in Bangladesh". Incepta and its sister concerns are now manufacturing Human vaccines, Monoclonal antibodies, Biotech products, Hormones, Natural products, Animal health products, Hygiene products and Hospital devices in wide range of dosage forms. Acceptance of these high-quality products led the company holding 2nd position among Pharma companies within 8 years of starting operation.

Global Ranking of Incepta:

Year	No. of Products	First Ever Product (s)	IMS Rank*
2021	1100	12	2nd

Year	No. of Products	First Ever Product (s)	IMS Rank*
2020	1100	22	2nd
2019	870	33	2nd
2018	865	21	2nd
2017	810	5	2nd
2016	783	14	2nd
2015	742	5	2nd
2014	706	3	2nd
2013	686	7	2nd
2012	631	6	2nd
2011	632	9	2nd
2010	594	10	2nd
2009	585	4	2nd
2008	532	10	2nd
2007	451	17	3rd
2006	368	9	3rd
2005	288	27	3rd
2004	198	6	5th
2003	154	18	8th
2002	119	14	10th
2001	78	11	12th
2000	35	4	31st

Incepta, a leading pharmaceutical manufacturer in Bangladesh, continues its voyage towards the inherent dream to become a key contributor in the world pharmaceutical market by maintaining a constant commitment to research, develop innovative products and quality management. The company's unwavering determination to achieve excellence leads the company to new global benchmarks.

* (Intercontinental Marketing Services-IMS).

Chapter-5

Data Analysis of Selected Seven (7) Public Enterprises and Three (3) Private Enterprises in Bangladesh

5.1 Research setting

The project has taken a case study approach, conducted on seven public enterprises and three private enterprises in Bangladesh. Since these mega enterprises are some of the key forces for development of Bangladesh, taking an objective view, the researcher has tried to assess the effectiveness and efficiency of budgetary practices through quantitative approach as well as qualitative approach. In the following section, we are analyzing the data which are qualitative.

Qualitative data (content analysis steps):

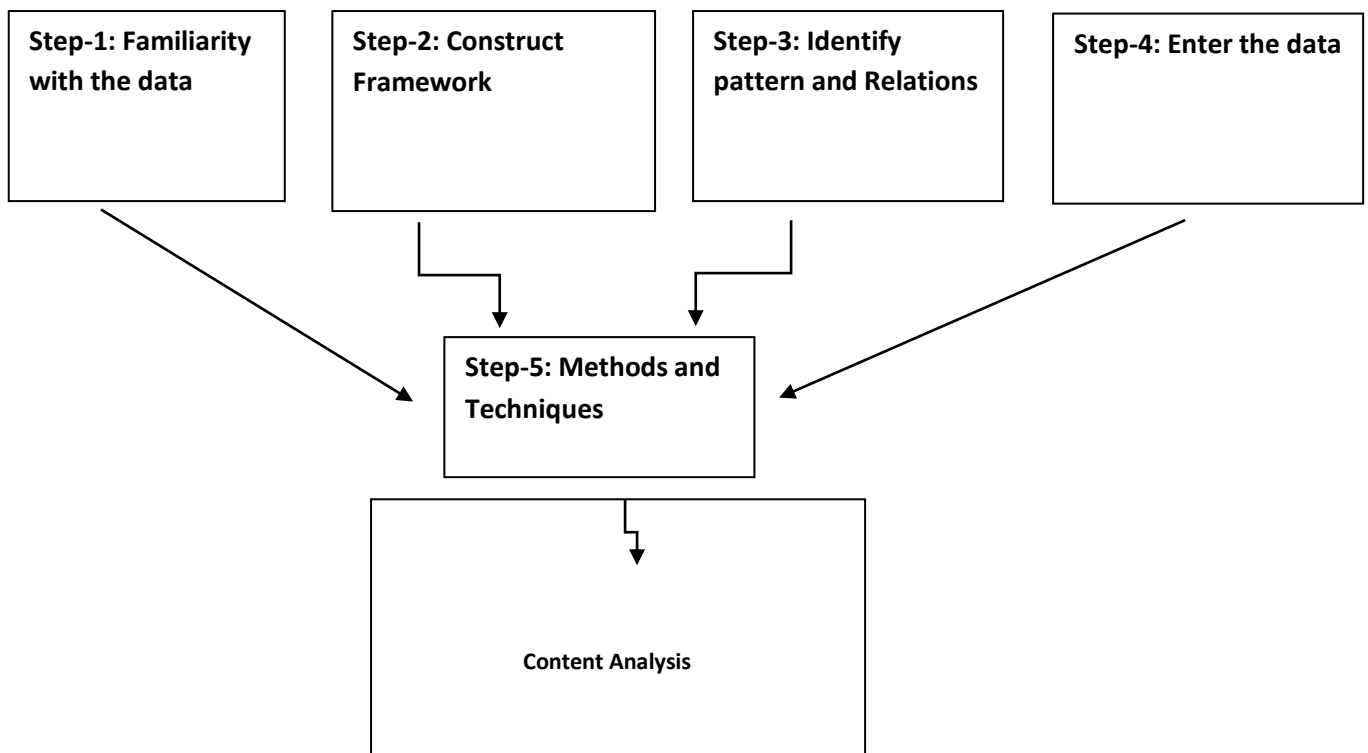


Figure 5.1 Qualitative data analysis steps, developed by the researcher

Ethical Issues

In this research project the major research ethical issues are data confidentiality and data privacy. Since governmental project's data are very sensitive, researcher keeps all data confidentiality and privacy strictly according to oxford university rules and regulations. Data analysis has been done in such way that there will be no ethical question in this research project.

Brief Profile of Respondents:

Age: The lowest age of respondents is 23 years and the highest is 65 years. While the average age is 36.5 years, the median age is 32. The age structure shows that all the respondents are in the working groups. One can depend on their opinion.

Education: 100% respondents are higher educated having at least bachelor degree and master’s degree and we can rely on their opinion.

Job training: 100% of respondents have got their job training.

Work Experience: The lowest work experience among the respondents is 3 years and the highest is 15 years.

Profession of respondents:

Variation in profession is present among respondents, while 100% of respondents are white – color officers, (Minimum Officer –Maximum Rank –CFO).

5.2 DATA SUMMARY - 7 Public Enterprises and 3 Private Enterprises

1. BTMC	
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<p>1) How Regulatory Framework covers the Laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?</p>	<p>Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. Public enterprises are legally accountable to respective ministers within a democratic parliament. Financial plans and accounts have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at BTMC is effective one. All data and information on budgetary practices are publicly available.</p>
<p>2) Is there any budget committee or similar committee to prepare the draft budget?</p>	<p>Yes. There is a budget committee to prepare draft budget.</p>
<p>3) Is there any budget calendar in the organization to follow?</p>	<p>Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the budget committee.</p>
<p>4) How the individual budget items are forecasted?</p>	<p>The individual budget item is forecasted based on -(i) Five years' moving average, (ii) Exponential smoothing method, (iii) Least Square Regression method (Linear). BTMC also uses "rolling and continuous forecast".</p>

<p>5) What is the approval process of the budget?</p>	<p>There are seven steps in the process of budget preparation & approval - (i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budget -Production Budget -Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget. Cash budget -Capital budget, etc. (v) Review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Final approval by the authority of the budgets.</p>
<p>6) How the budget items are communicated to those responsible for implementation?</p>	<p>Budget Implementation requires organizing, coordinating, staffing, directing and motivating of the members /staffs involved in the process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly, proper monitoring and effective feedback are required.</p>

<p>7) Is the resource (financial/non-financial) constraint to implement the budget?</p>	<p>Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.</p>
<p>8) Is there any system of preparing "revised budget"? When? How?</p>	<p>Yes, there is a system of preparing "revised budget" at BTMC within 14 days of budget preparation and submission.</p>
<p>9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/ rewarding actions are taken for adverse/ favorable variances?</p>	<p>Yes, variance is calculated regularly by following the formula (Actual figure -Budgeted figure).</p>
<p>10) Is there any problem in following the budget calendar?</p>	<p>No, we did not face any problem. Rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.</p>
<p>11) Is there any budgetary slack due to pressure from trade union or other "managerial opportunism"?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>

<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund are all responsible factors for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
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2. BJMC	
1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?	Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. Public enterprises are legally accountable to respective ministers within a democratic parliament. The corporation needs to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at BJMC is very much effective. All data and information on budgetary practices are publicly available.
2) Is there any budget committee or similar committee to prepare the draft budget?	Yes, there is a budget committee to prepare draft budget.
3) Is there any budget calendar in the organization to follow?	Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the budget committee.
4) How the individual budget items are forecasted?	The individual budget item is forecasted based on - (i) Five years' moving average, (ii) Exponential smoothing method, (iii) Least Square Regression method (Linear). BJMC also uses "rolling and continuous forecast".

<p>5) What is the approval process of the budget?</p>	<p>There are seven step process of budget preparation & approval - (i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets - Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Administrative Overhead Budget, Cash Budget, Capital Budget, etc. (v) General review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.</p>
<p>6) How the budget items are communicated to those responsible for implementation?</p>	<p>Budget implementation requires organizing, coordinating, staffing, directing and motivating of the members /staffs involved in this process. Budgets are communicated to the respective departments and its mangers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. At last, proper monitoring and effective feedback are required.</p>
<p>7) Is there any resource (financial/non-financial) constraint to implement the budget?</p>	<p>Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi)</p>

	Wastage and unwise use of funds, etc.
8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at BTMC within 14 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/ favorable variances?	Variance is calculated regularly by following the formula (Actual figure -Budgeted figure). Responsibility is investigated and identified, and payment of reward to good performer and punishment to ill performer are ensured.
10) Is there any problem in following the budget calendar?	No, we did not face any problem, rather it is very helpful in getting everything ready from each department. Then budget is timely prepared, finalized and approved by the competent authority.
11) Is there any budgetary slack due to pressure from trade union or other "managerial opportunism"?	No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.
12) What might be the factors for poor budgetary performances?	The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund, are all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public

	sector begins with budgeting.
<p>13) Explain the sources of funds, internal or external? Nature of the source? Debt, equity or hybrid? Foreign loan or local bank/other loan? Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>Government fund, subsidy and external debts are the main sources of fund.</p>
<p>(14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing this deficit. To what extent, if any, there is any under-financing. Then state how the budget is revised or reframed, or how the company board / management pursue government to allocate the needed fund. What is the result of these attempts?</p>	<p>Budget deficit is financed by Governmental fund, subsidy and external debts are the main sources of fund.</p>

3. BSFIC	
1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?	Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. BSFIC are legally accountable to respective ministers within a democratic parliament. Financial plans and accounts have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at BSFIC is effective one. All data and information on budgetary practices are publicly available.
2) Is there any budget committee or similar committee to prepare the draft budget?	Yes. There is a budget committee to prepare draft budget.
3) Is there any budget calendar in the organization to follow?	Yes, there is a budget calendar to follow strictly and timely to produce the draft budget and submit it to the budget committee.

4) How the individual budget items are forecasted?	The individual budget item is forecasted based on -(i) Five years' moving average, (ii) exponential smoothing method, (iii) Least square regression method (Linear). BSFIC also uses "rolling and continuous forecast".
5) What is the approval process of the budget?	There are 7 steps process of budget preparation & approval -(i) Identification of key aims, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budget, such as, Production Budget - Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc. (v) Involves review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.
6) How the budget items are communicated to those responsible for implementation?	Budget Implementation requires organizing, coordinating, staffing, directing and motivating of the members /staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly proper monitoring and effective feedback are required.
7) Is the resource (financial/non-financial) constraints implementation the budget?	Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and

	<p>coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.</p>
<p>8) Is there any system of preparing "revised budget"? When? How?</p>	<p>Yes, there is a system of preparing "revised budget" at BSFIC within 14 days of budget preparation and submission.</p>
<p>9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/favorable variances?</p>	<p>Yes, variance is calculated regularly by following the formula (Actual figure -Budgeted figure).</p>
<p>10) Is there any problem in following the budget calendar?</p>	<p>No, we did not face any problem. Rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.</p>
<p>11) Is there any budgetary slack due to pressure from trade union or other "managerial opportunism"?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund, are all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have</p>

	been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.
13) Explain the sources of funds, internal or external? Nature of the source? Debt, equity or hybrid? Foreign loan or local bank/other loan? Fund availability and fund utilization are both to be analyzed from the context of budget requirement.	At BSFIC, we get funds from internal sources, such as Government Equity, Government Grant, Government Loan, Treasury Bond, etc.
14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing this deficit. To what extent, if any, there is any under-financing. Then state how the budget is revised or reframed, or how the company board/management pursue the Government to allocate the needed fund? What is the result of these attempts?	Budget deficit is financed by taking loan from government, government banks and government grants, government subsidy, etc.

4. WASA	
1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?	Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. WASA is legally accountable to respective ministers within a democratic parliament. Financial plans and accounts departments have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control

	<p>system at WASA is more effective than ever before. WASA is now (2020—onwards) following a master plan. All data and information on budgetary practices are publicly available.</p>
2) Is there any budget committee or similar committee to prepare the draft budget?	Yes. There is a budget committee to prepare draft budget.
3) Is there any budget calendar in the organization to follow?	Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the budget committee.
4) How the individual budget items are forecasted?	The individual budget item is forecasted based on - (i) 5 years' moving average, (ii) exponential smoothing method, (iii) Least Square Regression method (Linear). WASA also uses "rolling and continuous forecast".
5) What is the approval process of the budget?	There are 7 steps process of budget preparation & approval -(i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets, such as, Production Budget -Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc., (v) Involves review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared, finalized, submitted for approval to the authority.
6) How the budget items are communicated to those responsible for implementation?	Through proper channels. Implementation requires organizing, coordinating, directing and motivating of the members /staffs involved in this process. Budgets are communicated to all departments and mangers. Successful implementation requires

	dynamic organizational structure, professional staffs, and integration. Planning and control are required for successful implementation. Lastly monitoring and effective feedback are required.
7) Is the resource (financial/non-financial) constraint to implement the budget?	Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.
8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at WASA within 14 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/ favorable variances?	Yes, variance is calculated regularly by following the formula (Actual figure -Budgeted figure).
10) Is there any problem in following the budget calendar?	No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.

<p>11) Is there any budgetary slack due to pressure from trade union or other “managerial opportunism”?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors, such as, poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund, etc. are all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, project abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
<p>13) Explain the sources of funds. internal or external, nature of the source? Debt, equity or hybrid, foreign loan or local bank/other loan; Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>At WASA, we get funds from internal sources - such as Government Equity, Government grant, Government Loan, Treasury bond, etc.</p>
<p>14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing the deficit. To what extent, if any, there is any under-financing? Then state how the budget is revised</p>	<p>Budget deficit is financed by taking loan from government, government banks and government grants.</p>

or reframed, or how the board of directors of the company / management pursue Government to allocate the needed fund. What is the result of these attempts?	
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5. DESCO	
1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budget?	Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. DESCO is legally accountable to respective ministers within a democratic parliament. Financial plans and accounts department have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at DESCO is effective one. All data and information on budgetary practices are publicly available.
2) Is there any budget committee or similar committee to prepare the draft budget?	Yes. There is a budget committee to prepare draft budget.
3) Is there any budget calendar here to follow?	Yes, there is a budget calendar to follow strictly and timely produce draft budget and submit it to the budget committee.
4) How individual budget items are forecasted?	DESCO also uses "rolling and continuous forecast".
5) What is the approval process of the budget?	There are seven steps process of budget preparation & approval process - (i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the

	limiting factors, (iv) Initiation for preparation of subsidiary budgets, such as, Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc. (v) Review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.
6) How the budget items are communicated to those responsible for implementation?	By reporting through proper channels.
7) Is there resource (financial/non-financial) constraint to implement the budget?	Constraints faced by non-financial enterprises in budget preparation and implementation are: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.
8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at DESCO within 14 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/ favorable variances?	Yes, variance is calculated regularly by following the formula, (Actual figure -Budgeted figure).
10) Is there any problem in following the budget calendar?	No, we did not face any problem; Rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.

<p>11) Is there any budgetary slack due to pressure from trade union or other “managerial opportunism”?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factor for poor budgetary performances?</p>	<p>The factors, such as, poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund are all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
<p>13) Explain the sources of funds, internal or external? Nature of the source? Debt, equity or hybrid? Foreign loan or local bank/other loan? Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>At DESCO, we get funds from internal sources - such as, Government Equity, Government Grant, Government Loan, Treasury Bond, etc.</p>
<p>14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing this deficit. To what extent, if any, there is any under-financing? Then state how the budget is revised/reframed, or how the company board/management</p>	<p>Budget deficit is financed by taking loan from government, government banks and government grants.</p>

<p>pursues government to allocate the needed fund. What is the result of these attempts?</p>	
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6. BPDB	
<p>1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?</p>	<p>Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. BPDP is legally accountable to respective ministers within a democratic parliament. Financial plans and accounts department have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at BPDB is effective one. All data and information on budgetary practices are publicly available</p>
<p>2) Is there any budget committee or similar committee to prepare the draft budget?</p>	<p>Yes. There is a budget committee to prepare draft budget.</p>
<p>3) Is there any budget calendar in the organization to follow?</p>	<p>Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the budget committee.</p>

4) How the individual budget items are forecasted?	The individual budget item is forecasted based on -(i) Five years' moving average, (ii) Exponential Smoothing method, (iii) Least Square Regression method (Linear). BPDP also uses "rolling and continuous forecast".
5) What is the approval process of the budget?	There is seven steps process of budget preparation & approval -(i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budget -Production Budget -Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget. Cash budget -Capital budget, etc., (v) Review and coordination of subsidiary budgets, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.
6) How the budget items are communicated to those responsible for implementation?	Budget Implementation requires organizing, coordinating, staffing, directing and motivating of the members /staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly proper monitoring and effective

	feedback are required.
7) Is there resource (financial/non-financial) constraint to implement the budget?	Yes, there is resource and other constraints faced by non-financial enterprises in budget preparation and implementation, such as, (i) instability in prices of raw materials, supplies and equipment, (ii) Lack of Unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.
8) Is there any system of preparing “revised budget”? When? How?	Yes, there is a system of preparing "revised budget" at BPDP within 14 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/ rewarding actions are taken for adverse/ favorable variances?	Yes, variance is calculated regularly by following the formula, (Actual figure - Budgeted figure).
10) Is there any problem in following the budget calendar?	No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.

<p>11) Is there any budgetary slack due to pressure from trade union or other “managerial opportunism”?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund is all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
<p>13) Explain the sources of funds, internal or external, nature of the source, debt, equity or hybrid source, foreign loan or local bank/other loan. Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>At BPDB, we get funds from Internal sources, such as, Government Equity, Government Grant, Government Loan, Treasury Bond, etc.</p>
<p>14) Do you find any extent of the deficit from budget documents and annual reports and also describe the modes of financing this deficit. To what extent, if any, there is any under-financing? Then state how the budget is revised or reframed, or how the company board/management pursues Government to</p>	<p>Budget deficit is financed by taking loan from government, government banks and government grants and subsidy.</p>

<p>allocate the needed fund. What is the result of these attempts?</p>	
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<p>7. BREB</p>	
<p>1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budget?</p>	<p>Yes, in preparing the budget, a realistic and practical approach has been used by following regulatory framework covering Acts, Ordinance/Rules, etc.). This framework enables management to foresee the beneficial results for the organization. Actual expenditures are properly recorded in accordance with budget which was approved by the competent authority. BREB is legally accountable to respective ministers within a democratic parliament. Financial plans and accounts have to present the report (audited) to the parliament. Budget is rule-bound and reflects the actual results during a particular year. Present budgetary control system at BREB is effective one. All data and information on budgetary practices are publicly available.</p>
<p>2) Is there any budget committee or similar committee to prepare the draft budget?</p>	<p>Yes. There is a budget committee to prepare draft budget.</p>
<p>3) Is there any budget calendar in the organization to follow?</p>	<p>Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the</p>

	budget committee.
4) How the individual budget items are forecasted?	The individual budget item is forecasted based on -(i) Five years' moving average, (ii) Exponential smoothing method, (iii) Least Square Regression method (Linear). BREB also uses "rolling and continuous forecast".
5) What is the approval process of the budget?	There are seven steps process of budget preparation & approval process -(i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets, such as, Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc. (v) Review and coordination of subsidiary budgets, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.
6) How the budget items are communicated to those responsible for implementation?	Budget implementation requires organizing, coordinating, staffing, directing and motivating the members /staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly proper monitoring and effective feedback are required.
7) Is there resource (financial/non-financial) constraint to implement the budget?	Constraints faced by non-financial enterprises in budget preparation and implementation are: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import

	tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.
8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at BREB within 14 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive / rewarding actions are taken for adverse/ favorable variances?	Yes, variance is calculated regularly by following the formula (Actual figure -budgeted figure).
(10) Is there any problem in following the budget calendar?	No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.
11) Is there any budgetary slack due to pressure from trade union or other "managerial opportunism"?	No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.

<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund is all responsible for poor budget performance in the non-financial public enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There are recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
<p>13) Explain the sources of funds, internal or external nature of the source, debt, equity or hybrid source, foreign loan or local bank/other loan. Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>At BREB, we get funds from internal sources - such as Government Equity, Government Grant, Government Loan, Treasury Bond, etc.</p>
<p>(14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing this deficit. To what extent, if any, there is any under-financing. Then state how the budget is revised or reframed, or how the company board/management pursues government to allocate the needed fund. What is the result of these attempts?</p>	<p>Budget deficit is financed by taking loan from government, government banks and government grants and subsidy, JICA and other development partners.</p>

Three Private Organizations:

8. BEXIMCO GROUP	
1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?	No. There is no legal framework for private organization. All data and information are confidential. All data and information on budgetary practices are not publicly available.
2) Is there any budget committee or similar committee to prepare the draft budget?	Yes. There is a budget committee to prepare draft budget.
3) Is there any budget calendar in the organization to follow?	Yes, there is a budget calendar to follow strictly and timely produce the draft budget and submit it to the budget committee.
4) How the individual budget items are forecasted?	The individual budget item is forecasted based on - (i) Five years' moving average, (ii) exponential smoothing method, (iii) Least Square Regression method (Linear). At BEXIMCO also "rolling and continuous forecast" is used.
5) What is the approval process of the budget?	There are seven steps process of budget preparation & approval process -(i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets, such as, Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc., (v) Review and coordination of subsidiary budget, (vi) Preparation of revised budget,

	(vii) Budgets are prepared and finalized and submitted for approval before the authority.
6) How the budget items are communicated to those responsible for implementation?	Budget implementation requires organizing, coordinating, staffing, directing and motivating of the members /staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper planning and control are required for successful implementation. Monitoring and effective feedback are also required.
7) Is there resource (financial/non-financial) constraint to implement the budget?	Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment. (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.
8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at BEXIMCO within 30 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/ favorable variances?	Yes, variance is calculated regularly by following the formula, (Actual figure -Budgeted figure).

<p>10) Is there any problem in following the budget calendar?</p>	<p>No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.</p>
<p>11) Is there any budgetary slack due to pressure from trade union or other “managerial opportunism”?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund is all responsible for poor budget performance in the private enterprises. It slows down economic development through wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, projects abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.</p>
<p>13) Explain the sources of funds. Internal or external? Nature of the source? Debt, equity or hybrid? Foreign loan or local bank/other loan? Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>Equity –debt financing –both.</p>

<p>14) Find the extent of this deficit from budget documents and annual reports and also find the modes of financing this deficit. To what extent, if any, there is any under-financing. Then state how the budget is revised or reframed, or how the company board or management pursues Government to allocate the needed fund. What is the result of these attempts?</p>	<p>Bank loans, bonds and debentures, etc.</p>
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9. SQUARE GROUP	
<p>1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?</p>	<p>No, there is no legal framework for private organization. All data and information are confidential. All data and information on budgetary practices are not publicly available.</p>
<p>2) Is there any budget committee or similar committee to prepare the draft budget?</p>	<p>Yes. There is a budget committee to prepare draft budget.</p>
<p>3) Is there any budget calendar in the organization to follow?</p>	<p>Yes, there is a budget calendar to follow strictly and to produce draft budget, & submit it to the budget committee.</p>
<p>4) How the individual budget items are forecasted?</p>	<p>The individual budget item is forecasted based on -(i) Five years' moving average, (ii) exponential smoothing method, (iii) Least Square regression method (Linear). Square Textiles Ltd. also uses "rolling and continuous forecast".</p>

<p>5) What is the approval process of the budget?</p>	<p>There are 7 steps process of budget preparation & approval</p> <ul style="list-style-type: none"> -(i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets - Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc. (v) Review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval.
<p>6) How the budget items are communicated to those responsible for implementation?</p>	<p>Budget Implementation requires organizing, coordinating, staffing, directing and motivating the members /staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly proper monitoring and effective feedback are required.</p>
<p>7) Is there resource (financial/non-financial) constraint to implement the budget?</p>	<p>Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.</p>
<p>8) Is there any system of preparing “revised budget”? When? How?</p>	<p>Yes, there is a system of preparing "revised budget" at Square Textiles Ltd. within 21 days of budget preparation and submission.</p>

<p>9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/ rewarding actions are taken for adverse/ favorable variances?</p>	<p>Yes, variance is calculated regularly by following the formula (Actual figure -Budgeted figure).</p>
<p>10) Is there any problem in following the budget calendar?</p>	<p>No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.</p>
<p>11) Is there any budgetary slack due to pressure from trade union or other “managerial opportunism”?</p>	<p>No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.</p>
<p>12) What might be the factors for poor budgetary performances?</p>	<p>The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund is all responsible for poor budget performance in the private enterprises. Factors causing slow-down in economic development are wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, project abandonment, wasteful spending, and low standard of living and so on. Planning in the public sector begins with budgeting.</p>
<p>13) Explain the nature and the sources of funds like debt, equity or hybrid, foreign loan or local loan. Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>Equity, debt or both financing are used.</p>

<p>14) Find the extent of this deficit from budget and annual reports and also find the modes of financing this deficit. To what extent, if any, is there under-financing? State how the budget is revised or reframed, or how the board or management pursues Government to allocate the needed fund. What is the result of these attempts?</p>	<p>Bank loans, bonds, debentures, etc.</p>
<p>10. Incepta Pharmaceuticals Ltd.</p>	
<p>1) How would Regulatory Framework cover the laws (Act/Ordinance/Rules, etc.) and “other guidelines” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?</p>	<p>No, there is no legal framework for private organization. All data and information are confidential. All data and information on budgetary practices are not publicly available.</p>
<p>2) Is there any budget committee or similar committee to prepare the draft budget?</p>	<p>Yes. There is a budget committee to prepare draft budget.</p>
<p>3) Is there any budget calendar in the organization to follow?</p>	<p>Yes, there is a budget calendar to follow strictly, and timely prepare the draft budget and submit it to the budget committee.</p>
<p>4) How the individual budget items are forecasted?</p>	<p>The individual budget item is forecasted based on -(i) Five years' moving average, (ii) Exponential Smoothing method, (iii) Least Square Regression method (Linear). Incepta Pharmaceuticals Ltd. also uses "rolling and continuous forecast".</p>

<p>5) What is the approval process of the budget?</p>	<p>There are seven steps of budget preparation & approval process, (i) Identification of key aims of the budget, (ii) Determination of key limiting factors for budget, (iii) Preparation of sales budget considering the limiting factors, (iv) Initiation for preparation of subsidiary budgets -Production Budget, Direct Material Budget, Direct Labor Budget, Manufacturing Overhead Budget, Selling and Admin. Overhead Budget, Cash budget, Capital budget, etc., (v) Review and coordination of subsidiary budget, (vi) Preparation of revised budget, (vii) Budgets are prepared and finalized and submitted for approval before the authority.</p>
<p>6) How the budget items are communicated to those responsible for implementation?</p>	<p>Budget implementation requires organizing, coordinating, staffing, directing and motivating the members or staffs involved in this process. Budgets are communicated to the respective departments and its managers. Successful implementation requires dynamic organizational structure, professional staffs, and proper integration. Proper budgetary planning and control are required for successful implementation of the budget. Lastly proper monitoring and effective feedback are required.</p>
<p>7) Is there resource (financial / non- financial) constraint to implement the budget?</p>	<p>Constraints faced by non-financial enterprises in budget preparation and implementation: (i) Instability in prices of raw materials, supplies and equipment, (ii) Lack of unified policy and coordination between the public and the private enterprises, (iii) Lack of financial supports and incentives from the government, (iv) Increasing import tendency, (v) Administrative inefficiency, (vi) Wastage and unwise use of funds, etc.</p>

8) Is there any system of preparing "revised budget"? When? How?	Yes, there is a system of preparing "revised budget" at Incepta Pharmaceuticals Ltd. within 30 days of budget preparation and submission.
9) When the budget variances (Actual <i>minus</i> Budget) are computed? How the responsibility is traced with those variances? What punitive/rewarding actions are taken for adverse/favorable variances?	Yes, variance is calculated regularly by following the formula (Actual figure -Budgeted figure).
10) Is there any problem in following the budget calendar?	No, we did not face any problem; rather it is very helpful in getting everything ready from each department. Then budget is timely prepared and finalized and approved by the competent authority.
11) Is there any budgetary slack due to pressure from trade union or other "managerial opportunism"?	No, now-a-days we do not face any budgetary slack due to pressure from trade union or other "managerial opportunism". But a few incidences have been broadcasted by TV channels regarding some irregularities in some cases due to trade union.
12) What might be the factors for poor budgetary performances?	The factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, delay in release of fund are all responsible for poor budget performance in the private enterprises. Factors causing slowdown in economic development are wasteful spending, extra budgetary spending and debt accumulation. There have been recorded infrastructural decays, diversion of funds, project abandonment, wasteful spending, and low standard of living and so on. Planning in the context of public sector begins with budgeting.

<p>13) Explain the sources of funds, whether internal or external; nature of the source, debt, equity or hybrid; foreign loan or local bank or other loan. Fund availability and fund utilization are both to be analyzed from the context of budget requirement.</p>	<p>Debt and equity, both sources of financing are used.</p>
<p>14) Find the extent of deficit from budget and annual reports and also find the financing of deficit. To what extent, if any, is there any under-financing. State how the budget is revised or reframed, or how board/management pursues the board to allocate the needed fund. What is the result of these attempts?</p>	<p>Bank loans, bonds, debentures, etc.</p>

5.3 Budget Variance Analysis:

(i) Table 5.1: Budget Variance Analysis of Bangladesh Power Development Board (BPDB)

Sl.	Particulars	Budget - 2020-2021	Actual Achievement- 2020-2021	Variance (amt. in Lac. Tk.) Performance over Budget	Favorable / Adverse F/A
1.	Operating Revenue				
	(i) Energy Sales	3936492.39	4014107.63	77,615.24	Favorable
	(ii) Other Operating Revenue	86404.31	162,920.52	76516.21	Favorable
	Total Operating Revenue	4,022,896.70	4177028.15	154131.45	Favorable
2.	Operating Expenses:				
	Fuel Cost -Gas	180935.65	149304.1	31631.55	Favorable
	Diesel	74978.44	77940.27	-2961.83	Unfavorable
	Coal Used for Electricity	62208.23	72233.08	-10024.85	Unfavorable
	Electricity Purchased for IPP	2012780	277373.65	-760954.67	Unfavorable
	Electricity Purchased from Rental	324186.04	332823.81	-8637.77	Unfavorable
	Electricity Purchased from India	501298.91	471291.44	30007.77	Favorable
	Electricity Purchased from Public Plant	1120654.29	691703.28	428951.01	Favorable
	Depreciation	237825.08	238652.85	-827.77	Unfavorable
	Repair and Maintenance Expense	107200	76066	31133.55	Favorable
	Personnel Expense	136078	124487.63	11590.37	Favorable
	Office and Admin Expense	48641	10867.68	37773.32	Favorable
	Transmission Expense	30464.71	24389.4	6075.31	Favorable
	Total Operating Expenses	4837250.35	2547133.19	2290117.16	
	Operating Income /Loss	-814,353.65	1629894.96	-2135985.71	Adverse
	Non-Operating Expenses				
5.	Assets Assurance Fund	700	700	0	
6.	Interest On Loan	210477	189932.64	20544.36	Favorable
7.	Power Sector Development Fund	112849	114472.71	-1623.71	Adverse
8.	Gain/ Loss Due to Exchange Rate Fluctuation	7000	6709.38	290.62	Favorable
9.	Subsidy from Government	1118535	1177791	-59256	Favorable

Data Source: www.bpdb.org.bd

(ii) Budget-Variance Analysis: Changes (+ / -) (Bangladesh Power Development Board)

Sl.	Head of Accounts	FY-2020-2021	FY-2019-2020	Amount of Increase or Decrease	% of Increase / Decrease
	Operating Revenue	41,770	35535	6130	17.55%
	Sale of Electricity	40141	34012	6130	18.02%
	Other operating Revenue	1629	1524	105	6.91%
	Operating Expenses:				
	Fuel Cost	2994	3415	-421	12.34%
	Generation Expense	2850	3008	-144	4.94%
	Electricity Purchase from IPP	27737	17519	10218	58.33%
	Electricity Purchased from Rental	3328	3216	112	3.48%
	Electricity Purchased from India	6917	6672	245	3.68%
	Electricity Purchased from Public Plant	4713	4017	696	17.32%
	Depreciation	1182	1354	172	12.73%
	Wellbeing charge	244	232	12	5.13%
	Admin- Expense	459	453	6	1.30%

Source: www.bpdb.org.bd

(iii) Budget-Variance Analysis: DESCO

Table 5.2 - Commercial Highlights –DESCO

Particulars	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Energy Import (MkWh)	4,980.05	5,247.84	5,604.447	5,423.17	5,762.268
Energy Sales (MkWh)	4,619.28	4,870.87	5,205.718	5,080.29	5,440.704
Energy Import (MTk)	30523.25	32782.25	35560.77	35100.36	38867.40
Energy Sales (MTk.)	33277.57	36538.86	39987.99	39423.94	43800.96
System Loss (%)	7.24%	7.18%	7.11%	6.32%	5.58%
Collection Ratio (%)	100.62	100.74	99.55	98.60	103.90
CI Ratio (%)	93.33	93.51	92.47	92.37	98.10
Consumer Numbers.	8,18,156	8,80,505	9,52,298	10,01,799	10,81,847
Receivable/Sales (%)	12.72	11.31	10.76	13.66	13.74

Source: <https://www.desco.org.bd/>

(iv) Budget-Variance Analysis: BTMC –Variance Analysis (5 Years)

Table 5.3: Budget-Variance Analysis- BTMC

Fiscal Year	Income from Mills	Variance (Amount in Lac)	% change than previous year
2016-2017	1486.53	+ 32.96	+ 2.27%
2017-2018	956.30	- 530.23	- 35.67%
2018-2019	771.72	- 184.58	- 19.30%
2019-2020	642.86	- 128.86	- 16.70%
2020-2021	643.25	+ 0.39	+ 0.06%

Source: www.btmc.org.bd

(v) BTMC-Total Income and Total Expenditure Variance Analysis (2019-2020)**Table 5.4: BTMC-Total Income and Total Expenditure Variance Analysis (2019-2020)**

Amount in Crore Taka.

Sl. #	Particulars	Head Office	Mills	Total
A	Incomes	17.67	2.21	19.88
B	Expenses			
	Wages and Salaries	7.85	3.36	11.21
	Other	16.53	13.19	29.72
C	Excess of Income over Expenditures	(6.71)	(14.34)	(21.05)
D	Capital Expenditure	4.32	0.40	4.72
E (B+D)	Total Expenditure	28.70	16.95	45.65

Source: www.btmc.org.bd**(vi) BTMC-Total Income and Total Expenditure Variance Analysis (2020-2021)****Table 5.5: BTMC-Total Income and Total Expenditure Variance Analysis (2020-2021)**

Amount in Crore Tk.

Sl #	Particulars	Head Office	Mills	Total
A	Incomes	17.72	2.18	19.90
B	Expenses			
	Wages and Salaries	7.08	3.60	10.68
	Other	16.36	13.64	30.00
C	Excess of Income over Expenditures	(5.72)	(15.06)	(20.78)
D	Capital Expenditure	10.48	0.45	10.93
E (B+D)	Total Expenditure	33.92	17.69	51.61

Source: www.btmc.org.bd

(vii) BTMC –Budget -Variance Analysis -2019-2020

Table 5.6 BTMC –Budget -Variance Analysis -2019-2020

Amount in Crore Tk.

Details	Budget	Actual	Variance
Incomes	19.90	19.88	+0.020
Expenditures	40.68	40.93	-0.25

Source: www.btmc.org.bd

(vii) Budget –Variance Analysis: Bangladesh Jute Mills Corporations –BJMC

Table 5.5 Bangladesh Jute Mills Corporations –BJMC

Amount in Tk.

Details	Actual	Budget	Variance –F/U
Incomes:			
(i) Charges Levied on Enterprises	394752397.98	388941258.00	+5811139 (Favorable)
(ii) Sale of Tender Form	614700	1717950	-1103250 (Unfavorable)
(iii) Enlistment fees	330,000	71002.00	+258998 (Favorable)
(iv) Sundry Receipts	694953	182836	+467117 (Favorable)
(v) Recruitment Receipts	1,77,98,159	3740400	-140,57759 (Unfavorable)
Expenses:			
Salaries and Allowances	21,37,37,158	17,93,69,444	-3,43,67,714 (Unfavorable)
Power and Electricity	11,88,099	13,75,000	+1,86,901 (Favorable)
Travelling Expenditures	5,94,57,792	6,04,57,780	+9,99,988 (Favorable)
Recruitment Expenses	1,12,11,404	1,12,20,009	+8605 (Favorable)
Publicity and Advertisement Expenses	96,04,030	90,18,886	585114 (Unfavorable)

Source: www.bjmc.org.bd

(viii) Budget –Variance Analysis: Bangladesh Sugar and Food Industry –BSFIC

Table 5.6 BSFIC -Budget Variance Analysis –July 01, 2020-June 30, 2021

Details	Budget	Actual	Variance –F/U
Incomes:			
(i) Head office Overhead charge to Enterprises	31,50,16,343	31,10,16,343	40,00,000 (Favorable)
(ii) Rental Income	1,87,84,441	1,87,84,441	0
(iii) Sundry Receipts	17,50,000	17,10,230	39,770 (Favorable)
Expenses:			
Salaries and Allowances	12,63,52,072	12,63,52,072	0
House Rent Allowance	6,39,47,420	13,75,000	0
Repair and maintenance	16,78,449	20,98,639	420190 (Unfavorable)

Source: www.bsfc.org.bd

(ix) Budget –Variance Analysis: WASA

Table 5.7: WASA Budget –Variance Analysis

Sl. #	Details	2018-2019	2019-2020	% Change than previous years
01	Incomes			
	Water	972,89,19,526	1023,37,78,330	+5.189%
	Sewerage	333,35,17,690	341,79,72,280	+2.533%
	Other income	137,71,50,818	141,02,26,714	+2.401%
	Total Income	1443,95,88,034	1506,19,77,324	+10.123%
02	Expenses			
	Salaries & Wages	620,48,02,154	247,43,32,851	-60.122%
	Repair and maintenance	509,24,74,454	591,98,23,597	+16.24%
	Administrative Expenses	78,31,28,186	32,38,07,395	-58.65%

Source: www.wasa.org.bd

N.B. Budget data was not available publicly (Private Enterprises).

That's why budget variance was not calculated.

5.4 Data Summary –Opinion Survey – Measured in five points –Likert Scale

(1) BSFIC-Opinion Survey Score

BSFIC	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	4	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.).	5	4	4	4	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	4	5	5	5	5
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	4	5	4	5	4
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	5	4	4	5
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	3	4	5	4
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	3	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	3	3	3	3	3
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	4	5	4	4	4
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	5	5	5	5
Average of Individual Respondent	4	4.3	4.1	4.2	4.3
Average of all five respondents at BSFIC	4.18				

(2) WASA-Opinion Survey Score

WASA	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises.	5	5	4	5	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	5	5	5	4	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	4	4	4	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	5	5	5	4	3
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	4	5	4	3
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	3	3	3	3
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	3	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	3	3	3	4	5
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	4	4	4	4	5
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	4	5	4	5
Average of Individual Respondent	4.285	4.1428	4.142	3.857	3.857
Average of all five respondents at BSFIC	4.052				

(3) DESCO-Opinion Survey Score

DESCO	Respondent -1	Respondent -2	Respondent -3	Respondent -4	Respondent -5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	5	4
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	5	4	4	5	4
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	4	4	5	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	5	5	4	5	5
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	4	5	4	5
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	3	3	3	3
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	4	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	4	4	5	5	5
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	5	5	5	5	4
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	4	5	5	5
Average of Individual Respondent	4.444	4.1	4.3	4.5	4.2
Average of all five respondents at BSFIC	4.308				

(4) BPDB-Opinion Survey Score

BPDB	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	5	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.).	5	4	5	5	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	4	5	4	5
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	5	5	4	5	5
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	4	5	5	5
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	3	4	3	3
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	3	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	4	5	5	4	4
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	4	5	4	5	4
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	5	5	5	5
Average of Individual Respondent	4.3	4.3	4.5	4.4	4.4
Average of all five respondents at BSFIC	4.38				

(5) BREB -Opinion Survey Score

BREB	Repond ent -1	Respond ent-2	Respond ent-3	Respond ent -4	Respond ent -5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	5	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	5	5	4	5	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	5	4	4	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	5	5	4	4	4
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	5	5	5	5
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	4	3	3	3	3
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	4	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	5	4	4	4	4
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	5	5	5	5	5
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	5	5	5	5
Average of Individual Respondent	4.666	4.444	4.111	4.222	4.222
Average of all five respondents at BREB	4.333				

(6) BJMC -Opinion Survey Score

BJMC	Responde nt -1	Responde nt -2	Responde nt -3	Responde nt-4	Responde nt -5
(i) Budgetary practices are quite effective at my enterprises.	5	4	4	5	4
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	5	4	5	5	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	5	5	4	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	5	5	4	5	5
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	4	4	5	5
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	4	4	5	4
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	3	3	3	3	3
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	3	3	3	3	3
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	4	4	3	3	3
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	5	5	4	5
Average of Individual Respondent	4.285	4.1428	4.142	4.571	4.285
Average of all five respondents at BJMC	4.285				

(7) BTMC -Opinion Survey Score

BTMC	Respondent -1	Respondent -2	Respondent -3	Respondent- 4	Respondent -5
(i) Budgetary practices are quite effective at my enterprises.	5	4	5	4	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	5	4	5	5	5
(iii) There is a strong budget committee, budget calendar and there is due approval process.	4	5	4	4	5
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprises.	4	5	4	5	4
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprises.	4	4	5	5	4
(vi) There are many financial and non-financial constraints to implement the budget at enterprises.	3	4	5	4	5
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprises.	4	5	4	5	4
(viii) There was inadequate internal and external resources for implementing the required budget at enterprises.	3	4	4	4	5
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprises.	4	4	4	5	4
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring implementation at enterprises.	5	5	5	5	4
Average of Individual Respondent	4.1	4.4	4.5	4.6	4.5
Average of all five respondents at BTMC	4.42				

(8) BEXIMCO Textiles Ltd. -Opinion Survey Score

BEXIMCO Textiles Ltd.	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises	5	5	4	5	5
(ii) Regulatory Framework covers the laws in my enterprise (Act/Ordinance/Rules, etc.).	3	3	3	3	3
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	5	5	5	5
(iv) There was an effective communication among the people involved with preparation and implementation of budget, and monitoring the implementation status at the enterprise.	1	1	1	1	1
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation, implementation and monitoring at the enterprise.	1	1	1	1	1
(vi) There are many financial and non-financial constraints to implement the budget at the enterprise.	1	1	1	1	1
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at the enterprise.	4	4	5	5	5
(viii) There was inadequate internal and external resources for implementing the required budget at the enterprise.	4	4	5	4	4
(ix) There was a budget deficit. That's why enterprise had to persuade government/ Board of Directors to allocate the needed fund at the enterprise.	5	5	5	4	4
Average of Individual Respondent	3.222	3.222	3.333	3.222	3.222
Average of all five respondents at Beximco Textiles Ltd.	3.244				

(9) Square Textiles Ltd. -Opinion Survey Score

Square Textiles Ltd.	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	5	5
(ii) Regulatory Framework covers the laws in enterprises (Act/Ordinance/Rules etc.)	3	3	3	3	3
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	5	4	4	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at enterprise.	5	5	5	5	5
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at enterprise.	1	1	1	1	1
(vi) There are many financial and non-financial constraints to implement the budget at enterprise.	4	4	4	4	4
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at enterprise.	1	1	1	1	1
(viii) There was inadequate internal and external resources for implementing the required budget at enterprise.	4	4	5	5	5
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at enterprise.	4	5	4	4	4
(x) COVID-19 Pandemic situation affected the budget preparation, monitoring and implementation at enterprise.	5	5	5	5	5
Average of Individual Respondent	3.7	3.8	3.7	3.7	3.7
Average of all five respondents at Square Group	3.72				

(10) Incepta Pharmaceutical Ltd. -Opinion Survey Score

Incepta Inc.	Respondent-1	Respondent-2	Respondent-3	Respondent-4	Respondent-5
(i) Budgetary practices are quite effective at my enterprises.	5	5	5	5	5
(ii) Regulatory Framework covers the laws in enterprise (Act/Ordinance/Rules, etc.)	3	3	3	3	3
(iii) There is a strong budget committee, budget calendar and there is due approval process.	5	5	4	4	4
(iv) There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at the enterprise.	5	5	5	5	5
(v) There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at the enterprise.	1	1	1	1	1
(vi) There are many financial and non-financial constraints to implement the budget at enterprise.	4	4	4	4	4
(vii) There is a budgetary slack due to pressure from trade union or other managerial opportunism at the enterprise.	1	1	1	1	1
(viii) There was inadequate internal and external resources for implementing the required budget at enterprise.	4	4	5	5	5
(ix) There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at the enterprise.	4	5	4	4	4
(x) COVID-19 Pandemic situation affected the budget preparation and monitoring implementation at the enterprise.	5	5	5	5	5
Average of Individual Respondent	3.7	3.8	3.7	3.7	3.7
Average of all five respondents at Square Group	3.72				

5.5 OVERALL SCORE of ALL 10 Selected Organizations:

All 10 Selected Public and Private Organizations -Opinion Survey Results	Name of the Organization	Average Score of all 10 Organizations
Budgetary practices are quite effective at Public Enterprises like WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC and private enterprises like BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd.	BTMC	4.42
Regulatory Framework covers the laws (Act/Ordinance/Rules etc.) WASA, DESCO, BREB, BTMC, BJMC, BSFIC, BPDB, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd. are strictly following regulatory framework and guidelines for preparing budget for the enterprise.	BJMC	4.28
There is a strong budget committee, budget calendar and there is due approval process at WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd., etc.	BSFIC	4.2044
There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at WASA, DESCO, BREB, BTMC, BPDB BJMC, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd.	WASA	4.05
There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at WASA, DESCO, BREB, BTMC, BPDB BJMC, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd., etc.	DESCO	4.3
There are many financial and non-financial constraints to implement the budget at WASA, DESCO, BREB, BTMC, BPDB, BJMC, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd., etc.	BPDB	4.38
There is a budgetary slack due to pressure from trade union or other managerial opportunism at WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd., etc.	BREB	4.333
There was inadequate internal and external resources for implementing the required budget at WASA, DESCO, BREB, BTMC, BPDB, BJMC, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd. etc.	BEXIMCO GROUP	3.244
There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at WASA, DESCO, BREB, BPDB, BTMC, BJMC, BSFIC, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd.	SQUARE GROUP	3.72
COVID-19 Pandemic situation adversely affecting the budget preparation, budget revision, implementation and monitoring at WASA, DESCO, BREB, BTMC, BJMC, BSFIC, BPDB, BEXIMCO Textiles Ltd., SQUARE Textiles Ltd. & Incepta Pharmaceutical Ltd.	INCEPTA Co.	3.72

5.6 Data Analysis –Opinion Survey

(i) Frequency Table

Researcher will classify the budgetary practices of selected seven (7) public enterprises and three (3) private organizations in Bangladesh.

A Likert scale is an **orderly scale from which respondents choose the option that best supports their opinion**. It can be used to measure someone's attitude by measuring the extent to which they agree or disagree with a particular question or statement. Five-point Likert's scale has been used.

Please use the following scale of measurement

- 1= Strongly Disagree
- 2= Disagree
- 3= Neutral
- 4= Agree
- 5= Strongly Agree.

Statement -1: Budgetary practices are quite effective at selected enterprises.

"1"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	30	60.0	60.0	60.0
Missing System	20	40.0	40.0	100.0
Total	50	100.0		

Interpretation of the results from Opinion Survey:

It reveals that 100 % respondents have strongly agreed to the statement -1. That means that 100% of the respondents have agreed strongly that all the selected organizations have effective budgetary practices.

Statement -2:

How would **Regulatory Framework** cover the laws (Act/Ordinance/Rules, etc.) and “**other guidelines**” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets?

Selected enterprises are strictly following regulatory framework and guidelines for preparing budget for the enterprise.

"2"

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	3	6.0	10.0	10.0
Agree	1	2.0	3.3	13.3
Valid Strongly Agree	26	52.0	86.7	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey:

It reveals that 90% of the respondents have agreed and strongly agreed to the statement -2. That means that all the selected 10 organizations have strong legal framework and they are strictly following it. Only 10% respondents have shown neutral position to this statement.

Statement -3:

There is a strong budget committee, budget calendar and there is due approval process at selected (10) enterprises.

"3"

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	2	4.0	6.7	6.7
Agree	10	20.0	33.3	40.0
Valid Strongly Agree	18	36.0	60.0	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

It reveals that 93.3% respondents have agreed and strongly agreed to statement -3. That means that there is a strong budget committee, budget calendar and there is due approval process. All selected organizations have government’s guidelines and they are strictly following.

Statement -4:

There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation at selected (10) enterprises.

"4"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	16	32.0	53.3	53.3
Valid Strongly Agree	14	28.0	46.7	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

It has been found that 100% respondents have agreed and strongly agreed to this statement-4. This reveals that budget committee’s supervision is strong / reliable.

Statement-5:

There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at selected (10) enterprises.

"5"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	4.0	6.7	6.7
Valid Neutral	3	6.0	10.0	16.7
Valid Agree	10	20.0	33.3	50.0
Valid Strongly Agree	15	30.0	50.0	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

It reveals that 83.3% respondents have agreed and strongly agreed to this statement # 5. That means that all the selected organizations have a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring of implementation.

Statement -6:

Is there any constraint of financial and non-financial to implement the budget at selected (10) enterprises?

"6"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	4.0	6.7	6.7
Valid Neutral	25	50.0	83.3	90.0
Valid Agree	3	6.0	10.0	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

Findings reveal that there is constraint that does not stand in the way of working as 83.3 % respondents are neutral for financial and non-financial to implement the budget of selected enterprises.

Statement -7:

Is there any budgetary slack due to pressure from trade union or other managerial opportunism?

There is a budgetary slack due to pressure from trade union or other managerial opportunism at selected enterprises.

"7"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	2.0	3.3	3.3
Valid Neutral	23	46.0	76.7	80.0
Valid Agree	6	12.0	20.0	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

Findings reveal that 76.7% respondents are neutral. Adequate slack or impediment due to pressure from trade union or other managerial opportunism at selected enterprises in Bangladesh.

Statement -8:

There were inadequate internal and external resources for implementing the required budget.

"8"

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	4.0	4.0	4.0
Neutral	33	66.0	66.0	70.0
Agree	13	26.0	26.0	96.0
Strongly Agree	2	4.0	4.0	100.0
Total	50	100.0	100.0	

Interpretation of the results from Opinion Survey

Findings reveal that there were 66 % respondents are neutral. There was not inadequacy/ any scarcity of resources as 66% respondents are neutral. So, it is clear that there was adequacy of internal and external resources for implementing the budget. But only 20% respondents have agreed to this statement.

Statement -9:

Is there any budget deficit?

There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate needed more fund at selected (10) enterprises.

"9"

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	1	2.0	3.3	3.3
Agree	20	40.0	66.7	70.0
Strongly Agree	9	18.0	30.0	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

It reveals that there was a budget deficit and 96.7% respondents have agreed and strongly agreed to this statement # 9. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund.

Statement -10

COVID-19 Pandemic situation adversely affecting the budget preparation, budget revision, implementation and monitoring at selected (10) enterprises.

"10"

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	23	46.0	46.0	46.0
Valid Strongly Disagree	27	54.0	54.0	100.0
Total	50	100.0	100.0	

Interpretation of the results from Opinion Survey

It reveals that 54% respondents have strongly disagreed to the statement -10. 46% percent have disagreed with this statement -10.

Statement-11

Overall effectiveness of budgetary practices of selected public and private enterprises in Bangladesh.

"11"

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	8	16.0	26.7	26.7
Valid Strongly Agree	22	44.0	73.3	100.0
Total	30	60.0	100.0	
Missing System	20	40.0		
Total	50	100.0		

Interpretation of the results from Opinion Survey

It reveals that 100% of the respondents have agreed and strongly agreed to this statement -11. Overall budgetary practices in the selected 10 organizations have strong effectiveness.

5.7 Descriptive Statistics

5.7.1 Descriptive Statistics at 99% Confidence level

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/ORDER=ANALYSIS.

Descriptive Notes

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	Cases Used	All non-missing data are used.
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[DataSet3] C:\Users\User\Desktop\Zamir Sikder -SPSS -Data Analysis - Final.sav

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
"1"	30	5	5	5.00	.000
"2"	30	3	5	4.77	.626
"3"	30	3	5	4.53	.629
"4"	30	4	5	4.47	.507
"5"	30	1	5	4.20	1.095
"6"	30	1	4	2.97	.615
"7"	30	1	4	3.13	.571
"8"	30	1	5	3.40	.894
"9"	30	3	5	4.27	.521
"10"	30	4	5	4.60	.498
"11"	30	4	5	4.73	.450
Valid N (list wise)	30				

T-TEST /TESTVAL=0 /MISSING=ANALYSIS
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5.7.1.1 T-Test

Notes

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Missing Value Handling	Cases Used	Statistics for each analysis are based on the cases with no missing or out-of-range data for any variable in the analysis.
		T-TEST
		/TESTVAL=0
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[DataSet3] C:\Users\User\Desktop\Zamir Sikder -SPSS -Data Analysis -Final.sa

5.7.1.2 One-Sample T-Test Statistics

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error of Mean
"1"	30	5.00	.000 ^a	.000
"2"	30	4.77	.626	.114
"3"	30	4.53	.629	.115
"4"	30	4.47	.507	.093
"5"	30	4.20	1.095	.200
"6"	30	2.97	.615	.112
"7"	30	3.13	.571	.104
"8"	30	3.40	.894	.163
"9"	30	4.27	.521	.095
"10"	30	4.60	.498	.091
"11"	30	4.73	.450	.082

a. t cannot be computed because the standard deviation is 0.

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
"2"	41.702	29	.000	4.767	4.45	5.08
"3"	39.487	29	.000	4.533	4.22	4.85
"4"	48.215	29	.000	4.467	4.21	4.72
"5"	21.000	29	.000	4.200	3.65	4.75
"6"	26.424	29	.000	2.967	2.66	3.28
"7"	30.038	29	.000	3.133	2.85	3.42
"8"	20.821	29	.000	3.400	2.95	3.85
"9"	44.870	29	.000	4.267	4.00	4.53
"10"	50.565	29	.000	4.600	4.35	4.85
"11"	57.641	29	.000	4.733	4.51	4.96

Significance level = 0.01 / Degree of freedom = 30-1 =29 /

Critical value of T-statistic = 31.821

Interpretation of results:

Statement # 5, 6,7, 8 are not supported but Statement # 1,2,3,4,9,10 & 11 are supported. At 99% level of confidence interval the lower and upper values are shown in the table.

```
T-TEST /TESTVAL=0 /MISSING=ANALYSIS /
VARIABLES=BP LF BC EC SB FNC BS IER BD COVID OE /CRITERIA= CI(.95).
```

5.7.2 Descriptive Statistics at 95% Confidence level

Notes

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	File	
	Definition of Missing	User defined missing values are treated as missing.
Missing Value Handling	Cases Used	Statistics for each analysis are based on the cases with no missing or out-of-range data for any variable in the analysis.
		T-TEST
		/TESTVAL=0
		/MISSING=ANALYSIS
Syntax		/VARIABLES=BP LF BC EC SB FNC BS IER BD COVID OE
		/CRITERIA= CI(.95).
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	Elapsed Time	00:00:00.02

[DataSet3] C:\Users\User\Desktop\Zamir Sikder -SPSS -Data Analysis -Final.sav

5.7.2.1 One-Sample T-Test Statistics at 95% Confidence level

	N	Mean	Std. Deviation	Std. Error Mean
"1"	30	5.00	.000 ^a	.000
"2"	30	4.77	.626	.114
"3"	30	4.53	.629	.115
"4"	30	4.47	.507	.093
"5"	30	4.20	1.095	.200
"6"	30	2.97	.615	.112
"7"	30	3.13	.571	.104
"8"	30	3.40	.894	.163
"9"	30	4.27	.521	.095
"10"	30	4.60	.498	.091
"11"	30	4.73	.450	.082

a. t cannot be computed because the standard deviation is 0.

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
"2"	41.702	29	.000	4.767	4.53	5.00
"3"	39.487	29	.000	4.533	4.30	4.77
"4"	48.215	29	.000	4.467	4.28	4.66
"5"	21.000	29	.000	4.200	3.79	4.61
"6"	26.424	29	.000	2.967	2.74	3.20
"7"	30.038	29	.000	3.133	2.92	3.35
"8"	20.821	29	.000	3.400	3.07	3.73
"9"	44.870	29	.000	4.267	4.07	4.46
"10"	50.565	29	.000	4.600	4.41	4.79
"11"	57.641	29	.000	4.733	4.57	4.90

Significance level = 0.025 / Degree of freedom = 30-1 =29

Critical value of T-statistic = 31.821

Interpretation of results:

Statement # 5, 6, 7,8 are not supported but Statement # 1,2,3,4,9,10& 11 are supported. At 95% level of confidence interval the lower and upper values are shown in the table.

FREQUENCIES VARIABLES=BP LF BC EC SB FNC BS IER BD COVID OE
/ORDER=ANALYSIS.

5.7.3 Summary of Statistical Analysis of Income and Profit

Fiscal Year Wise Profit Loss (DATA)			
Fiscal Year	Income	Expense	Profit/Loss
	(MTk.)	(MTk.)	(MTk.)
1998-1999	582	715	-133
2000-2001	1360	1440	-80
2001-2002	1517	1571	-54
2002-2003	2199	2191	8
2003-2004	4976	4638	338
2004-2005	5519	4979	540
2005-2006	6398	5524	874
2006-2007	7644	6383	1261
2007-2008	9720	7648	2072
2008-2009	10674	8533	2141
2009-2010	11616	9455	2161
2010-2011	13288	11268	2020
2011-2012	16432	15266	1166
2012-2013	23865	22737	1128
2013-2014	26644	25976	668
2014-2015	29306	27671	1634
2015-2016	32891	32445	446
2016-2017	34725	34550	175
2017-2018	37905	37401	504
2018-2019	41696	40594	1102
2019-2020	41064.9	40609.2	455.65
Average	17143.9	16266.39	877.4595
Standard Deviation (SD)	14264.03536	14232.41	771.3415
Coefficient of Variation (CV)	83.2018115	87.49581	87.90622
Correlation ®	0.067934641		
Revenue, Profit			

Chapter: 6

Findings of the Study

6.1 Analysis of Hypothesis Testing

H₀₁ : Budget practices are not prevalent in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a1} : As data are available on the use of budget by all of the sample units in the tables 4.1 to 4.6 and 5.1 to 5.3, so null hypothesis is not true, and Budget practices are prevalent.

H₀₂ : There is no regulatory framework for budget preparation in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a2} : As preparation, implementation and variance calculation and analysis are mandatory and are directed by the authority and regulatory framework is mentioned in different sections of chapter four, so null hypothesis is not true and alternative hypothesis is true, and regulatory framework is existent.

H₀₃ : There is no problem or bottlenecks in the budgeting process in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a3} : The opinion survey by questionnaire and analysis by Likert scale of the sample units in the paras 5.4 to 5.8, shows a number of problems or bottlenecks, null hypothesis is not true, and there is problem or bottlenecks in the budgeting process in the seven public enterprises.

H₀₄ : The problems or bottlenecks are ignored in the budgeting process in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a4} : The problems or bottlenecks are not as revealed by 'Focus Group Discussion FGI' in different analysis in chapter five, null hypothesis is not true, and there is steps to attend bottlenecks in the budgeting process in the seven public enterprises.

H₀₅ : The budgeting process is not efficient and effective in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a5} : The efficiency and effectiveness of budgeting process were analysed through variance analysis and by 'Key Information Informants KII' in different analysis in chapter five, null hypothesis is false, and the budgeting process is efficient and effective. But the efficiency and effectiveness of budgeting process in the public enterprises are questionable and level of efficiency and effectiveness are at low level.

H₀₆ : The use of funds is not efficient in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a6} : The public enterprises are under strict control on the use of funds and budget by the higher authority and there is low opportunity to misuse funds, so null hypothesis is not true, and funds are used almost properly.

H₀₇ : The budget variance is not properly treated in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a7} : As budget implementation, variance analysis and treatment are part of the process and almost mandatory and supervised, as is mentioned in chapter five, so null hypothesis is not true and alternative hypothesis is true, and variance is properly treated.

H₀₈ : The budgeting efficiency is same in the seven (7) public enterprises and three (3) private enterprises of Bangladesh.

H_{a8} : As data for budgeting, budget implementation, variance analysis and treatment are mentioned in chapters four and five reflecting different levels of efficiency in the public and private sector firms, so null hypothesis is not true and alternative hypothesis is true, and it may be said that budgeting efficiency is higher in the private sector firms.

6.2 Opinion Survey –Results/ Findings:

1. Budgetary practices (BP) are quite effective. 100 Percent of respondents are strongly agreed to the statement.

2. Strong Regulatory Framework (RF) covering Acts, Ordinance, rules by the concerned ministry. 6% percent respondents are neutral, 6% are agreed, 88% are strongly agreed to this statement.
3. There is a strong budget committee (BC), budget calendar, and there is due approval process. 4% respondents are neutral, 30% respondents are agreed, and 66% respondents are strongly agreed.
4. There is an effective communication among the people involved with the preparation, presentation, and implementation and monitoring the implementation of budget. Results: 64% respondents are agreed, 36% are strongly agreed.
5. There is a strong bureaucracy in the decision-making that affects the speed of budget preparation, revision and implementation and monitoring. Results: 4% respondents are strongly disagreeing, 12% neutral, 40% are agreed, and 44% are strongly agreed.
6. There are many financial and non-financial (FNC) constraints to implementation the budget. Results: 4% respondents are strongly disagreeing, 82% respondents are neutral, 12% are agreed, 2% are strongly agreed.
7. There is a budgetary slack (BS) due to pressure from the trade opinion or other managerial opportunisms. Results: 4% respondents are strongly disagreeing, 66% are neutral, 26% are agreed, 4% are strongly agreed.
8. There were inadequate internal and external resources for implementation of the required budget. Results: 4% respondents are strongly disagreeing, 66% are neutral, 26% are agreed, 4% are strongly agreed.
9. There was a budget deficit (BD). That's why enterprises had to persuade government and board of directors to allocate needed funds. Results: 6% respondents are neutral, 70% are agreed, 24% are strongly agreed.
10. COVID -19 situations are adversely affecting the budget preparation, budget revision, and implementation and monitoring of implementation. Results: 46% respondents are disagreeing, 54% are strongly agreed.
11. Overall Effectiveness of Budgetary Practices (OBE). Results: 16% are agreed, 82% are strongly agreed and 2% are neutral.

6.3 To highlight the regulatory framework and other guidelines for preparing and implementing the budgets by the selected public enterprises of Bangladesh.

Government has taken the initiative to create and reform of Dhaka Electric Supply Company. So, Government wanted to engage power sector with private sector for scarcity of financial resources. However, without gaining positive return, it is not possible to get involvement and distribution agencies from private sector. Dhaka area is the largest territory which is consuming 50 percent of the total electricity in Bangladesh. DESA, distributed the electricity in Dhaka, was unable to perform at standard level to meet all the demands, accounts receivables, quality, and system losses.

After 1992, it was easy to predict that DESA can perform well if the management system and control are excellent. So, the new management, control system, rules and regulations were needed to ensure the high demand of electricity and avoid losses. The new business (DESCO) will be a public sector entity that will be incorporated as a subsidiary of DESA under the Companies Act of 1994. To make the DESCO's management more responsive to its customers, shares of the firm will be offered to the private sector, other power sector entities, and the general public in the future. DESCO was unified under the Company Act, 1994 with its own identity and Government of Bangladesh and DESA acquired all shares. Shareholders appointed an initial BOD to run DESCO and BOD selected a managing Director and two Directors and all of them were the members of BOD after the appointment.

6.4 The research findings are expected to help in improving the existing systems of budgetary practices in selected public enterprises of Bangladesh.

Budgetary Committee of DESCO Consists of 5 Members. DESCO follows a budget calendar to follow which is July to June. Individual budget items are forecasted by collecting input from 16 S & D (Selling & Distribution Department) & 56 Functional units. Support Team Prepared draft Budget to Budget Committee and Budget Committee Presented it to Board for Approval. Approved Budget Printed Copy is shared with all S & D and Functional Unit.

There is no resource (financial/non-financial) constraints to implement the budget. Each year revised budget is prepared in April by Taking 9 Months actual data and 3 Months forecasted data. Budget Variance is prepared after each quarter. Excessive variance is communicated with responsible S & D or functional unit through budget variance meeting and collect possible reasons. Variance is connected with yearly API bonus.

I. Above 95% achievement get 2 basic

II. Above 85% to 95% get 1.5 basic etc.

Audit committee prepares the draft budget of BPDB and the budget calendar July to June. Annual Procurement Plan (APP) forecasts the individual budget, prepare it and send it to the finance department. Sub-committee prepares a budget and then budget committee can increase or decrease the budget. Finally, budgetary board approves the budget. We implement the budget through Annual Procurement Plan and publish it in our website. Cost center calculates all the cost and Administration monitors the implementation. There are no financial constraints to implement the budget though it exists some non-financial budget. Some special situations such as Covid-19, foreign experts not coming may non-financial constraints to implement the budget. BPDB prepares revised budget after end of the nine month of fiscal year (i.e. march of every year). BPDB prepares revised budget based on the actual expenditure and next three months forecast. By using Framework Agreement, we do revised budget. Budget variances are computed in March and cost center traces those variances. For the favorable variances, best project director award is given and warning letter is given for adverse variances.

BREB has a budget committee or similar committee to prepare the draft budget and there is a budget calendar which is July to June in the organization to follow.

In BREB individual budget items are forecasted as follows:

- i) Previous experiences
- ii) Previous expenditure
- iii) Individual departmental requirements

Budget approval process in BREB is:

Budget preparation \Rightarrow Internal Approval \Rightarrow Board Committee \Rightarrow Board Approval

BREB distributed approved budget to the cost centers. If budget is available, then purchases are made with approval of the proper authority. BREB faces some non-financial constraints to implement the budget. BREB prepares revised budget after end of the nine months of fiscal year (i.e. march of every year) and prepares revised budget based on the actual expenditure and next three months forecast. At the time of preparation of budget BREB computes budget variance and traces responsibility based on cost center instead of individual. Budget committee gives instructions to the concerned cost center if variance is created.

WASA has a budget committee or similar committee to prepare the draft budget and has a budget calendar (July to June) to follow. Budget committee tries to get an idea of individual budget from the previous budget and communicate with each items responsible person to estimate the individual budget. Every respecting department sends their budget to the budget committee. Budget committee queries about forecasted budget and sends it to the board meeting. Board approves the budget if it is well enough. Every responsible department checks budget items for implementing the budget time to time. There are some constraints such as water pump, labor and there is a system of preparing revised budget. In March, Budget committee decides about revised budget and considering the situation budget committee takes initiative to increase/ decrease the budget communicating by head Office. WASA has both punitive/ rewarding actions for adverse/ favorable variances.

Budget Management Committee (BMC) is formed time to time to oversee the budget preparation of concern BJMC Dept. (Cost and Budget) like other organizations. Budget Preparation activities commence when budget call circular-1 (BC-1) is issued from Finance Division, Ministry of Finance positively in January of each year. In March budget preparation is to be completed and to be submitted to Monitoring Cell under the Ministry of Finance through the Administrative/Line Ministry.

Sub-Head of Operational Expenditure Budget

Items are forecasted from different cost centers. When manpower is estimated then their salary and allowances are determined as per applicable rules and regulations. Repair & Maintenance (R & M) items are forecast based on production capacity. Raw Material expenditure is assumed based on sales forecast. All other expenses are forecasted based on the previous year's data.

Sub-Head of Capital Expenditure Budget

Capital Expenditure Budget is based on the policy adopted by the authority somewhere in the project or on authority's desire. After holding a meeting with Monitoring Cell with the organization head and involved departmental heads, and also representatives of Line Ministry, different heads of account, amount of expenditure are estimated. Further agreement of the estimation then finalizes the budget. Later a Budget Book is issued from the Monitoring Cell. After issuing a Budget book from the Monitoring Cell and based on this budget, cost is segregated on cost center basis. Then it is circulated to the different enterprises as well for implementation. Resources are not available always. When crisis is created, then the Government allocates funds as per organizational demand to implement the budget. Two budgets are prepared for two years simultaneously. One is for the current financial year with some adjustments to be revised budget and another is to be prepared for next financial year. There is no budget variance analysis prepared. But the audit objection is created if actual expenditure becomes beyond budgeted amount.

Improving the existing system of budgetary practices in selected public enterprises of Bangladesh supports both institutional and expectancy theory.

All 7 selected public enterprises have been following the legal framework and acts, rules and guidelines strictly and the budgetary practices were quite effective. Three private enterprises are also following their laws and rules and guidelines strictly. Budgetary practices were quite effective.

6.5 To identify the bottlenecks of the current budgetary practices followed by the selected public enterprises of Bangladesh and also to find out the ways and means of removing those bottlenecks.

(i) DESCO has no problem in following the budget calendar and there is no budgetary slack due to pressure from trade union or other managerial opportunism. Factors for poor budgetary performances are: unavailability of budget input during budget preparation, irregularity of budget meeting and incurring expense without budget clearance.

(ii) BPDB has no problem in following the budget calendar and BPDB faces some budgetary slack due to pressure from trade union or other "managerial opportunism".

Factors for poor budgetary performances are:

- 1) Selection of sometimes low-qualified project director,
- 2) Lacking of detailed planning,
- 3) Natural calamities, long rainy season, natural disasters, disturbances caused by forced measures,
- 4) Sometimes lack of transparency,
- 5) Complexity to disburse money.

(iii) BREB has no problem in following the budget calendar and there is no budgetary slack due to pressure from trade union or other managerial opportunism. In case of emergency situation, poor budgetary performances happened in BREB also.

(iv) WASA maintains a July to June good budget calendar, though WASA faces some problems for completion of project. Because worldwide renowned organizations such as ADB, World Bank, etc. have January to December budget calendar which sometimes creates problem. Factors causing poor budgetary performances are trade union, managerial inefficiency, unfair intervention of accounts department, sometimes lack of transparency, etc. For operational activities, WASA utilizes internal funds and for development projects, WASA uses government and foreign funds.

(v) BJMC has no problem in budget implementation as reflected in the budget calendar. Trade Union is a big factor in industrialization. Trade union submits different unwanted and unlawful demands to the authority. To fulfill all those demands, increase the cost of production increases. Hence organizations face losses for weakness in sales forecast, demand becomes downward curved, shortage of utility support, shortage of skilled workers, lack of proper management decision, working capital shortage, etc.

The bottlenecks of the current budgetary practises followed by the selected public enterprises of Bangladesh and to find out the ways and means of removing those bottlenecks support institutional theory.

6.6 Analysis of the internal and external sources of funds and applications process of public enterprises of Bangladesh.

Both Internal & External funds are used, and also hybrid funds are used in DESCO. DESCO uses foreign loan for project purpose and local loan for other purpose.

External sources are ECA financing, GOB and local bank financing in BPDB and internal sources are new equity and retained earnings. BPDB analyzes both fund availability and fund utilization from the context of budget requirement.

BREB depends both on external & internal sources of financing such as equity, debt and hybrid financing. External sources are ECA financing, GOB and local bank financing. Internal sources are new equity and retained earnings. BREB analyzes both fund availability and fund utilization from the context of budget requirement.

For operational activities, WASA utilizes internal funds and for development projects, WASA uses Government and foreign funds.

Both internal and external factors of BJMC have depended for sources of funds. Internal funds are from goods selling and external from government and Bank loan when it is not enough to mitigate the Budget requirement. Internal and external sources of funds and applications process of public enterprises of Bangladesh support institutional theory.

6.7 To find out the budget deficit of public enterprises and way of overcoming it.

DESCO does not have any underfinancing or budget deficit. Similarly, BPDB has no deficit budget. In case of urgency, BPDB meets deficit budget from its own funds. Moreover, BREB utilizes own funds when there is any budget deficit. In case of GOB fund BREB prepares RDP and in case of own fund BREB prepares revised budget. Furthermore, there is no budget deficit in WASA.

WASA does not take any money for operational activities though it takes funds from government and foreign organizations for developments. Finally, revised budget is approved from government wherein BJMC board meeting adopts revised budget proposal as well.

The budget deficit of public enterprises and way of overcoming that support both institutional and expectancy theory.

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6.8 Discussion on Findings

Government has taken the initiative to reform and create an Electric Supply Company in Dhaka. Dhaka as a mega city is consuming 50 percent of the total electricity of Bangladesh. DESA, the distributor of the electricity in Dhaka, was unable to perform at standard level to meet all the demands, accounts receivables, quality and system losses. It is easy to predict that if the management and budgetary control are effective and efficient, the system losses can be avoided. The system of internal control is sound in design and has been effectively implemented and monitored. The proper books and ledgers are maintained appropriately. There is no significant doubt upon the company's ability to continue as a going concern. It has strong regulation framework, budget committee, budget calendar, and due approval process of budget. All the respondents have strongly agreed to the above areas.

The regulatory framework and other guidelines for preparing budget and implementing budget is excellent and support the institutional theory. The research findings are expected to help in improving the existing systems of budgetary practices in selected public enterprises of Bangladesh.

WASA has a budget committee or similar committee to prepare the draft budget and has a budget calendar (July to June) to follow. Budget committee of this to get an idea of individual budget from the previous budget and communicate with each item responsible person to estimate the individual budget. Every respecting department sends their budget to the budget committee. BC queries about forecasted budget and sends it to the board meeting. Board approves the budgeted if it is well enough. Every responsible department checks budget items for implementing the budget from time to time.

There are some constraints, such as, water pump, labor, etc. and there is a system of preparing revised budget. Budget Committee (BC) decides about the revised budget and considering the situation budget committee takes initiative to increase/decrease the budget communicating the head office. WASA has both punitive actions for variances. Government allocates funds as per WASA's demands to implement the budget.

Budget at WASA is prepared for two years simultaneously. One is the current financial year which is to be revised budget and another is to be for the next financial year. There is no budget variance analysis. But the audit objection is created if actual expenditure goes beyond budget amount.

6.8.1 Bottlenecks of the current budgetary practices

BJMC:

BJMC has no problem shown in the budget calendar. Trade union is a big factor in the public sector industries. Trade union submits different unwanted and unlawful demands to the authority. To fulfill all those demands the cost of production increases. Hence, organizations face losses for weaknesses in sales forecasts, demand-curve becomes downward, shortage in utility support, shortage of skilled workers, lack of proper management decision, working capital shortages, etc. These are the main bottlenecks of the current budgetary practices followed by the selected public enterprises of Bangladesh and also to find out the ways and means for removing those bottlenecks which support institutional theory.

BPDB: The Budget Committee prepares the draft budget of BPDB. Budget calendar is July to June. Annual Program of Plans (APP) forecasts variables, prepares revised budget after end of the nine month of fiscal year (i.e., March of every year). BPDB prepares revised budget based on the actual expenditure and next three months' forecast. By using Framework agreement, BPDB do revised budget. Budget variances are computed in March and cost center traces those variances. For a favorable variance, the best project director award is given and warning letter is given for adverse variances.

BPDB has no problem in following the budget calendar. BPDB faces some budgetary slack due to pressure from trade union or other managerial opportunities. Factors for poor budgetary performance are: Selection of a wrong project director, lack of planning, natural calamities, natural disaster forced measures, long rainy season, some-times take of transparency, complexity to disburse money, etc.

DESCO: Budgetary committee of DESCO consists of 5 members. It follows a budget calendar which is July to June. Individual budget items are forecasted by collecting input

from 16 selling and distribution department and 56 functional units. Support team prepared draft budget and submitted to budget committee. The budget committee then sends it to the board for approval. The approved budget printed copy is shared with all S & D and functional units. There are no resources (internal and external) constraints to implement the budget. Each year a revised budget is prepared in April by taking a month's actual data and 3 months forecasted budget variance is prepared, afterwards each quarter excessive variance is communicated with S & D department and functional units through budget variance meeting and with identification of possible reasons. Variance is then connected with yearly API bonus.

- (a) For above 95% achievement, amount equal to will get 2 basics of a month would be allowed,
- (b) For achievement between 85% to 95% one is to get 1.5 basics.

BREB: BREB has a budget committee or similar committee for preparing the draft budget and then has a budget calendar which is July to June in the organization to follow.

In BREB individual budget items are forecasted as follows:

- i. Previous experiences,
- ii. Previous expenditure,
- iii. Individual departmental requirements.

Budget approval process at BREB:

Budget preparation → Internal Approval → Budget Committee → Board Approval

BREB distributes the approved budget to the cost centers. If budget is available, then purchases are made with the approval of the proper authority. BREB faces some non-financial constraints to implement the budget. It prepares a revised budget after end of the nine months of fiscal year (i.e., March of every year) and prepares revised budget based on the actual expenditure and next three months forecast. At the time of preparation of budget at BREB, it computes budget variance and traces responsibility based on cost center instead of individual. Budget committee gives instruction to the concerned cost center if variance is created.

BREB has no problem in following the budget calendar and there is no budgetary slack due to pressure from trade union or other managerial opportunism. In case of emergency situation, poor budgetary performance happens in BREB.

Internal and external sources of fund are used by DESCO; BPDB uses government and local bank financing, ECA financing. It also uses new equity and retained earnings. BPDB analyzes both fund available and fund utilization from the context of budget requirement.

BREB depends on external and internal source of financing, such as, equity, debt and bond financing. BREB also uses funds from JAICA.

For operational activities WASA, utilizes internal fund and for development projects, WASA uses government and foreign funds. BJMC uses internal funds by selling goods, and external funds from government and bank loan, when internal fund is not enough to mitigate the budget requirement. Internal and external sources of fund and applications process of public enterprises in Bangladesh support institutional theory.

DESCO does not have any underfinancing or budget deficit, similarly BPDB has no budget deficit. In case of emergency, BPDB meets budget deficit from its own fund. Moreover, BREB utilizes own funds when there is any budget deficit. WASA does not take any money for operational activities from the government. But WASA takes money from government for development activities. BJMC meets up its budget deficit in board meeting by adapting as revised budget passed in the meeting.

BSFIC, BTMC, also meet their budget deficits by taking money from government, and sometimes from their internal funds.

- The budget deficit of public enterprises and way of overcoming the process support both institutional and expectancy theories. The opinion survey results also disclose the support of two theories in regards to 10 statements prepared based on the research objectives. Lastly the researcher wants to claim that the new model for effective budgetary practices will help all 46 public enterprises to become an efficient and effective organization and contribute to the national productivity.

Chapter: 7

Discussion and Conclusion

7.1 Relevance of Findings

This study explores the current budgetary practices of public enterprises in Bangladesh based on expectancy theory and institutional theory. This study used qualitative method to investigate all the objectives from both primary and secondary data.

The main purpose of this study was to find out the regulatory framework and other guidelines for preparing and implementing the budgets by the selected public enterprises of Bangladesh. Efficiency of the existing budgeting system, the bottlenecks of the current budgetary practises, and the ways and means of removing those bottlenecks are also analysed.

The study also attempted to analyze the internal and external sources of funds and application process of the funds in the public enterprises of Bangladesh. Budget deficit of public enterprises and the way of overcoming those are also analysed.

The study reveals that all the selected public firms have regulatory framework and guidelines framed by the authority, both efficient and inefficient budgeting practices in the public firms, the ways of managing those bottlenecks, and the efficiency in the uses of both internal and external sources of funds. All the firms efficiently manage the budget deficit.

This study also confirms that all findings support at least one theory either institutional theory or expectancy theory. This study will help the practitioners and academicians to understand the current budgeting practices of public enterprises in Bangladesh.

7.2 Similar studies on budgetary practices

7.2.1 Similar studies on budget variance analysis

Variance analysis is a simple process of comparing the actual performance with the budgeted one to find out the variations and the reasons thereof. A variance is caused by the difference between actual and budget figures which can either be positive or favorable and negative or unfavorable. Variance analysis establishes whether over expenditure is caused by deliberate actions or inadequate controls by management (Arora, 1995). Once a budget is drawn up, it can be used as an instrument of control by continually comparing actual with budgeted performance, that is, calculating the deviations and finding the factors causing such deviations. Lockyer, K. (1983), Alesina and Perotti (1996), observed that variance analysis reports and finding reasons thereof, constitute a control frame for the management. Budgetary control is the process of comparing the actual results with the planned results and reporting on the variations, called variance. This sets a control framework to keep the costs and expenses to the standard limit. Deviations are noted continually suggesting corrective actions. Lucey (2008), Glautier (1997) and Fang (1998) emphasized on analyzing, investigating and correcting the budget variances.

Analyzing requires splitting up the variances into two components of standard costs, i.e., quality standard and cost standard in order to pin-point the unfavorable or weak areas. In the view of Appiah Mensah (1993), if actual performance is not controlled, it will differ from planned performance and the business will not achieve its objectives. That control can only be exercised, if the differences and the factors causing those are known through analysis and interpretations. Continuous comparison is made between the actual and the budgeted results, which is intended to either secure, through action of managers, the objectives of policy or to even provide a basis for policy revision (Evans et al. 2001). In addition to serving as a tool of

control, perhaps the most important use of budget variances is the fact that the managers learn from their past mistakes and future performance may be improved using these lessons (Parker, Ferris & Otley, 1989).

The study tried to find out the favourable or unfavourable variances of selected seven (7) public enterprises and three (3) private enterprises. All of the organizations have adverse or favourable variances and reward or punitive measures in all 10 enterprises in Bangladesh. Some of them have been awarded for generating favourable variance for their organizations.

7.2.2 Similar studies on budget monitoring and control

In another survey conducted by (Libby and Lindsay, 2010), it was opined that the budget does not facilitate adapting to changes in unpredictable environment. Hence, spending time on forecasting and planning the future can be completely useless. Opinions, views, depictions and analysis of the majority of authors clearly favor practices of budget in business organizations with a few limitations and negative views. And as such, budget is widely used in both commercial and public organizations all over the world and its limitations are surpassed by its benefits and advantages.

According to Drury (2000), budgetary monitoring and control process is a systematic and continuous one and is characterized by the steps that are as follows:

- a) Establishing level of activity for each department of the organization by way of setting targets to be achieved by enhancing the monitoring of the performances.
- b) Communicating details of the budgetary policy to all the stakeholders for easy appreciation of the set targets and objectives and the results achieved at end of the day.
- c) Monitoring actual revenue or cost data by way of continuous comparison of actual performance with the budgeted performance and regular reporting of variances to the responsible officers.

A monitoring system assumes the expenditure must agree with the budgeted plans. Financial control is also one of the most important aspects of budgeting. By means of monitoring, which means comparing actual results with planned results and reporting on the variations, a control framework is set for management.

In Bangladesh, public enterprises maintained a detailed budgetary control system as part of a central state economic planning system. Managers' budgeting behavior was rule-bound and ritualistic. When preparing budgets, they often merely took the previous years' figures and dutifully followed regulations from Headquarters, with little consideration of actual or likely circumstances. Sometimes, accountants used approximations because of the unavailability of relevant data (Uddin and Hopper, 2001: 654).

Study by Hakim and Bhuiyan (2003) has shown that all public sector textile mills (in a sample of 10 mills from the textile industry, five were from private sector ownership and five from state-owned sector) have followed budgetary control system with some limitations in the implementation process (p. 53), although only half of the sample units (60 percent in public sector mills and 40 percent in private sector mills) endorsed the present budgetary control system as effective (pp. 45-46).

The study focuses on control and monitoring from 360-degree angle. If the organization adopts it, the misuse of resources would be avoided or wastage of resources will also be reduced. From opinion survey, it has been found that budget will be a tool for this control and monitoring. Effectiveness of budgetary control can be achieved if organization adopts strong control and monitoring in their organizations.

7.2.3 Similar studies on budget time period or duration

The period which is covered by a set of budgets is budget period. Period of budget may vary from organization to organization based on the nature of business or nature of expenditure. Generally, revenue budgets are prepared for a period of one year with monthly or quarterly split ups. As acquisition of capital assets may take longer period to execute, Capital Budget may be, say, for one year, two years, and five years, or even for ten years. Brown and Howard (1982), observed that there is no "right" period for any budget; budget periods vary between short term and long term. According to Jones and Pendlebury (1984), the budget

period is of one year's duration, and will be designed to coincide with an organization, or government's financial, or fiscal year. There is no reason why a budget period has to be one year, but typically it is made so. Cherrington, Hubbard and Luthy (1988) explained that, companies may have both long-term and short-term goals and objectives. Long term goals indicate companies' strategic planning for couple of years, whereas, immediate or short-term goals specify the immediate steps to accomplish the long-term goals. The short-term plan is called a budget. Izhar (1990) endorsed the views of Cherrington et al. (1988) that the long-term budget is a financial translation of long-term future plans and when these plans are split over a shorter period, say, a month, a quarter or a year, it is a budget.

7.2.4 Similar studies on controlling corruption and other misuse of resources

Similarly, Cimpoeru & Cimpoeru (2015) researched on control of corruption and budgetary openness in country level. The independent variables, budgetary transparency and GDP per capita have a positive and significant influence on corruption control in all countries. High budget transparency scores influence both the decrease of corruption and the improvement of government policies, as well as, the transmission of important information to the public, according to the empirical study.

Joharji & Willoughby (2014) tried to find out some important points on Saudi budgetary systems and suggested budgetary reform proposals to improve the quality of budgetary planning, control and budget deficit mitigation procedure.

7.3 Dissimilar Studies on budgetary practices

Gunawan et al. (2020). The study was conducted in Indonesia and consisted of 33 samples that were gathered via questionnaires and quantitatively analyzed using partial least square-path model (PLS-PM) testing methods and smart-pls data processing techniques. A survey of 548 local councils in Indonesia was used in the research population including 231 samples. Questionnaires were used to obtain primary data from 33 samples, which were then quantitatively tested using PLS-PM and data processing using smart-pls. The study's findings show that budgeting process has a considerable favorable impact on budgetary absorbing

efficiency. As a result, budgetary control can be stated to have a strong focus on improving budgetary adsorption capability. This leads to a nation's provincial authorities' economic growth speeding up.

Owolabi et al. (2020) recommended that capacity creation, prioritizing of robust systems and processes, and close monitoring for assessment would all help budget execution. To improve overall budget execution, stakeholders should be included in budget execution. Furthermore, managerial accounting systems should be supported to guarantee responsible fund management and proper awareness of both employees and the general public on optimal profitability in order to strengthen the oversight responsibilities.

Al-Shaibie & Batool's (2014) study of comparison of using budget of Sweden to Pakistan and Jordan, revealed all three nations were facing tight budgetary control, with Jordan and Pakistan experiencing it at a higher degree and Sweden experiencing it at a lesser level. In terms of employee behavior, both methods revealed that in Pakistan and Sweden, tight budgetary control was negatively connected to loyalty, whereas in Jordan, it was positively related. In Sweden and Pakistan, satisfaction is negatively connected to rigorous budgetary management, but in Jordan it is favorably related. For all three countries, job-related stress and a proclivity for data manipulation are positively connected to very tough budgetary control.

Simmons (2015) suggested that the antecedents of the inclination to produce budgetary slack differ from the antecedents of the amounts created; each may require different types of mitigation in practice. The fact that roll-over options enhances the likelihood of creating slack should serve as a warning to those who use rolling budgets. Simmons (2015) added to the body of knowledge by discovering that perceived interpersonal trust had no effect on the proclivity to produce slack, just on the amount of slack created.

Subordinates are more likely to produce slack when the budgetary process contains a rollover option and smaller amounts are created, according to Simmons (2015), then when the budgetary process does not have a rollover option and larger amounts are created. I found no correlation between subordinates' proclivity to create slack and their perceived level of interpersonal trust with their superiors. Subordinates, on the other hand, create more slacks when their interpersonal trust is low. I couldn't discover any evidence to support the projected interaction effect. These findings show that the antecedents of the inclination to create

budgetary slack varied from the antecedents of the quantities generated, and that each may differ in terms of mitigation in practice. The fact that rollover options influence the chances of slack, recommends that rolling budgets should be used with prudence. The amount of slack created, not the tendency to create it, was found to be unaffected by observed interpersonal trust.

Wim A Van der Stede (2000) found that two significant antecedents may influence the budgetary control techniques that businesses use, as well as the behaviors that they encourage on business unit's previous performance and competitive strategy. The findings show that company divisions that pursue a differentiation strategy or have been more profitable are subject to less stringent budgetary limitations, which increases the propensity to develop slack and managers' long-term thinking.

Bisbe and Otley (2004) commented that budgets that are mostly used as a planning tool are more likely to contribute to product innovation and have a favorable impact on a company's performance. Making resource decisions, identifying targets, forecasting results under various scenarios for reaching those goals, and finally deciding on a course of action are all part of planning.

Dunk (2011) provided evidence that budget used in product innovation contexts may be problematic, has validity, and the findings show that using budgets as a control tool may not result in the intended financial consequences.

7.4 Conclusion based on the opinion survey

1. Budgetary practices (BP) are quite effective. 100 Percent of respondents are strongly agreed to the statement.
2. Strong Regulatory Framework (RF) covering Acts, Ordinance(s), Rules framed by the concerned ministry are existing. 6% percent respondents are neutral, 6% are agreed, 88% are strongly agreed to this statement.
3. There is a strong budget committee (BC), budget calendar, and there is due approval process. 4% respondents are neutral, 30% respondents are agreed, and 66% respondents are strongly agreed.

4. There is an effective communication among the people involved with the preparation, presentation and implementation, and monitoring of the implementation of budget. 64% respondents are agreed and 36% are strongly agreed in this statement.
5. There is a strong bureaucracy in the decision-making that affects the speed of budget preparation, revision and implementation and monitoring. 4% respondents are strongly disagreed, 12% are neutral, 40% are agreed, and 44% are strongly agreed to this.
6. There are many financial and non-financial (FNC) constraints to implementation of the budget. 4% respondents are strongly disagreed, 82% respondents are neutral, 12% are agreed, and 2% are strongly agreed.
7. There is a budgetary slack (BS) due to pressure from the trade opinion or other managerial opportunisms. Results are: 4% respondents are strongly disagreeing, 66% are neutral, 26% are agreed, and 4% are strongly agreed to this statement.
8. There were inadequate internal and external resources for implementation of the required budget. 4% respondents are strongly disagreed, 66% are neutral, 26% are agreed, and 4% are strongly agreed to this statement.
9. There was a budget deficit. That's why enterprises had to persuade government and board of directors to allocate needed funds. 6% respondents are neutral, 70% are agreed, and 24% are strongly agreed to this statement.
10. COVID -19 situations is adversely affecting the budget preparation, budget revision, and implementation and monitoring of implementation. 46% respondents are disagreed and 54% are strongly agreed to this statement.
11. Overall Effectiveness of Budgetary Practices (OEBP). 16% are agreed, 82% are strongly agreed and 2% are neutral to this statement.

Budget is the key indicator for any Public Enterprises of Bangladesh. If any enterprise fails to prepare budget and ensure its proper implementation, monitoring and evaluation, that enterprise would not achieve its business goal at all.

All 7 selected public enterprises have been following the legal framework and rules and guidelines strictly and the budgetary practices were quite effective. Three private enterprises are also following their laws, rules and guidelines strictly. Budgetary practices were also effective.

7.5 Academic Contributions

(i) This study will help to prevent misuse or wastage of valuable resources of selected seven and all public and selected three and all private enterprises in Bangladesh. Since these government-owned enterprises are playing the pioneering role for the economic and sustainable development of Bangladesh, and their higher productivity would enhance economic development. This research work is such one that it would also provide suggestions benefiting the private sector and public firms to prevent any misuse or wastage of valuable resources (billions of taka) of their organization.

(ii) A new model of effectiveness of budgetary practices has been proposed in the academic arena. It will revolutionize the performance of the government owned enterprises and even private sector enterprises in Bangladesh. It's a significant contribution for the academia for ensuring efficient utilization of public money for the betterment and welfare of the public.

(iii) This study is a milestone study in the following industrial sectors -textile industry, Jute industry, pharmaceutical industry, clean water supply, power, sustainable and clean energy sector, green and sustainable projects, sustainable bricks manufacturing, etc. Therefore, this study will have significant impacts on the above mentioned and other industries.

7.6 Recommendations

A number recommendations based on the findings of the study are given below.

(i) All seven public enterprises employed dedicated expert persons required for Budget preparation, monitoring and evaluation.

(ii) Selected all seven public and three private enterprises have adequate training programs to enhance budget efficiency and effectiveness.

(iii) It has been observed that department and plant or zone-wise annual evaluation may be effective for fruitful budget preparation and practices.

(iv) For preparing and implementing budget in selected enterprises government interferences should be at minimum level.

(v) It has been observed that selected public enterprises all expenses have been audited quarterly or half-yearly. Private enterprises are also under audit.

(vi) It has been found that the regulatory framework in selected public enterprises is strong, but it should be improved a little bit. Regulation and control in private enterprises are strong enough.

(vii) Communication among the committee members was found very effective. Even COVID-19 did not have any effect on communication in both private and public sectors.

In conclusion, budgetary practises in the public enterprises in Bangladesh are yet to be improved. Wrong budgetary policy, that includes:

- (a) income, employment and inflation goals;
- (b) exchange rate policies;
- (c) monetary policies;
- (d) fiscal policy, etc. should be rationalized.

Private sector enterprises in Bangladesh should be more production oriented.

In addition, with respect to budgetary practices, these public enterprises face:

- (a) Budget preparation problem;
- (b) Budget implementation problem; and
- (c) Post-budget evaluation problem that needs attention.

Thus, budgetary practise is undoubtedly a very important area of any public or private enterprise of Bangladesh, but as research area it is still not attended properly. For this reason, enterprises management failed to solve the problem properly and timely. As a result, the more intended research on budgetary practices would fill the research gap to give a policy direction towards solving the budgetary problems of public enterprises and also private enterprises.

7.7 Direction for Further Research

(1) The government-appointed commission (CORBEC) discovered a number of flaws in current budgeting and budgetary practice systems, accounting, and expenditure control systems and procedures, and advises that the government implement a program of system, procedure, and institution reforms as soon as possible.

(2) There appears to be a huge quantity of budget documents and document summary statements, which contain overlapping and redundant material. It is feasible to minimize their quantity and rationalize the contents of the documents, allowing for a greater focus on essential public policy and expenditure concerns.

(3) Three of the basic units like, pay, allowances, and work indicate to be the standard functional categories of spending. Three more categories, including contingencies, operation and maintenance, and other sorts of transfer payments, have hazy definitions and economic features.

(4) The current accounting system is basically traditional. To comply with the law, it is necessary to construct a financial management information system that can offer financial data on a regular basis. Separate systems for these many divisions are preferred over an integrated system that fulfills the demands of the spending agencies, administrative ministries, and the Ministry of Finance.

(5) Government's record-keeping for local currency loans to parastatals, aid re-lending, and equity involvement all need to be enhanced promptly. This job might be delegated to the Finance Division's monitoring cell, with the cell strengthened as needed.

(6) Revenue spending estimates are made on an incremental basis. The estimations are still a little shaky because trustworthy and recent expenditure data isn't accessible. Over expenditures and payment obligations incurred by the spending units also make budgetary control ineffective.

(7) It's possible to strengthen the relationship between macroeconomic policy and the budget. The Finance Division employee's formal models, given the difficulty of obtaining enough

and accurate data, the model should be basic. It is also necessary to clarify and establish the relationship between budgetary and national income accounting concepts.

(8) The large number of current manuals and codes may be reviewed with the goal of removing the old, updating and modernizing the pertinent, and compiling them for simple access and consultation.

7.8 Conclusion

This Study mainly focuses on the effectiveness of budgetary practices of public enterprises. Special focus on proper monitoring, implementation and evaluation was given.

Based on the analysis of data and findings from opinion survey and semi-structured interview, we may conclude that all selected 10 enterprises (7 public and 3 private) have effective budgetary practices. They have strong regulatory framework, guidelines, circulars, budget committee, budget calendar, and due approval process. All selected 10 organizations have been following their respective acts, rules, and guidelines strictly. We can also conclude that a strong bureaucracy in the decision-making affects the speed of budget preparation, implementation and monitoring of implementation status of budget. There are financial and non-financial constraints to implement the budget. But 83.3% respondents expressed their neutrality.

There is budgetary slack due to pressure from trade union or other managerial opportunism at selected enterprises. But 76.7% respondents expressed their neutral position to the statement. There are internal and external resource constraints for implementing the budget. But findings reveal that 66% respondents expressed their neutral position. There was a budget deficit in all selected 10 organizations. That's why enterprises had to persuade government or board to allocate needed more funds. Pandemic situation had not affected the budget preparation, revision and implementation. For overall effectiveness of budgetary practices, we can conclude that 100% of the selected 10 enterprises have almost effective and efficient budgetary practices.

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Appendices:

Appendix: A Opinion Survey Questionnaire



Department of Accounting & Information Systems

Faculty of Business Studies (FBS)

University of Dhaka

Dhaka-1000, Bangladesh.

Doctoral Thesis

Budgetary Practices in Selected Public Enterprises of Bangladesh: An Evaluation of Their Effectiveness

Researcher: Mohammad Zamir Uddin Sikder

Opinion Survey

Selected Seven (7) public enterprises and three (3) private organizations

Respondents' Information : (n = 30)

Chief Financial Officers = 10

Budget Committee Members = 5

Executives (Accounts & Finance Division) = 5

Beneficiaries of 7 public enterprises = 5

Beneficiaries of 3 private enterprises = 5

Total respondents = 30

General Information and guidelines for the respondents

- (i) This research is on identifying budgetary practices in selected public enterprises of Bangladesh and it will focus on the effectiveness and evaluation.
- (ii) Your responses will be anonymized.
- (iii) Your responses and information will be analyzed with due and high ethical care.
- (iv) Your valuable, authentic and objective response may be very helpful for us to recommend policy makers in Bangladesh.
- (v) Whole interview will be recorded and preserved at the Department of AIS, DU and FBS –Online repository.
- (vi) Your efforts and cooperation will be highly appreciated.

Part-A: Basic Information about respondents/ Personal

(i) Name:

(ii) Contact #.....

(iii) E-mail ID.....

(iv) Age (in years).....

(v) Years of schooling.....

(vi) Years of experiences:

(vii) Location of Interview: At the head office of selected 7 public enterprises and 2 private enterprises.

(viii) Respondent(s) meet the inclusion criteria –(i) Yes (ii) No

(ix) Name and Address of the company

(x) Type of the Company (a) Private (b) Public

(xi) Total number of employees:

(xii) Main products of the company

.....
.....

(xiii) Market of the Company: (a) National (ii) International

(xiv) Annual turnover of the company:

(xv) Does the company use budgetary control system?

YES

NO

(a) If yes, how long the company is using it

.....
.....

(b) If not why does the company refrain from using it

.....
.....

(c) Has the company any plan to use budgetary control system?

YES

NO

(xvi) Specify some of the benefits of using it.

.....
.....
.....
.....

Do you encounter any problem in using budgetary control system?

YES

NO

If yes, what were the problems?

.....
.....
.....

(xvii) Is there any budget committee in your company?

YES

NO

(a) If yes, how many members have special training on budgeting?

.....
.....
.....

Where did you receive training? (i) Home (ii) Abroad

(b) If no, how does the company prepare its budget

.....
.....
.....
.....

(xviii) Do you prepare any master/ corporate budget?

YES

NO

(xix) Does the company use budgetary control system for the following purpose(s):

- (a) Planning
- (b) Coordination
- (c) Communication
- (d) Production
- (e) Cash
- (f) Motivation
- (g) Controlling
- (h) Purchase
- (i) Sales
- (j) Diagnose the problems areas.

(xx) Do you calculate budget variances?

YES

NO

- (a) If yes, how do you dispose of variances & how do you identify the causes of such variances & persons responsible for the same?
- (b) If no, don't you feel it is necessary to calculate the variances.

YES

NO

(xxi) What measures have been taken for adverse variances?

(xxii) Do you think your company's budgetary control is effective?

YES

NO

(xxiii) What are the areas of achieving effectiveness of budgetary control system of your enterprise?

- (a) Expense control
- (b) In achieving targets of production, sales and profits.

(c) Areas of management control achieved:

.....
.....

(xxiv) Do you have a budget variance committee?

YES

NO

(a) How many members are there in?

(b) What are their duties?

(c) The authority enjoyed by the committee:

*Adequate ** Inadequate

(xxv) Do you have effective participation of departments or divisions of the enterprise as well as their employees in budgetary control process?

YES

NO

(a) If yes, how do you evaluate the same?

.....
.....
.....

(b) If no, what are the reasons for inadequacy or lack of participation?

- (a)
- (b)
- (c)
- (d)

(xxvi) How do you collect departmental budget with all earnestness and timeliness?

YES

NO

(xxvii) Are the budget prepared in time?

YES

NO

(xxviii) What steps are specifically taken to ensure enforcement of budget?

- (a)
- (b)
- (c)
- (d)

(xxix) While preparing master budget whether departmental/divisional head are consulted or not?

YES

NO

If no, would you please explain why?

.....
.....

(xxx) What sets the major goals, objectives/targets/ of the annual budget?

.....
.....
.....
.....

(xxxi) Who is responsible for preparing the master budget?

.....
.....
.....
.....

(xxxii) Do you think it is appropriate person/ division?

YES

NO

(xxxiii) Is there any reward system for the employees having better performance?

(xxxiv) Have the employee's salary increased morale enhanced as a result of practicing efficient and effective budgetary control system at your organization?

YES

NO

(xxxv) Has the enterprise/company become well organized due to use of budgetary control?

YES

NO

(xxxvi) Please specify any other opinions on the preparation of the budgetary Control Systems at your organization?

.....
.....
.....

.....

Section –D:

Researcher will classify the budgetary practices of selected seven (7) public enterprises and three (3) private organizations in Bangladesh.

A Likert scale is **an orderly scale from which respondents choose the option that best supports their opinion**. It can be used to measure someone's attitude by measuring the extent to which they agree or disagree with a particular question or statement. Five point Likert's scale has been used.

Please use the following scale of measurement

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Part-B: Please select the preferred box and put tick mark on it.

Statement # 01:

Budgetary practices are quite effective at WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC, BEXIMCO Group, SQUARE GROUP etc...

To what extent do you agree with this statement?

1

2

3

4

5

Statement # 02:

How would **Regulatory Framework** cover the laws (Act/Ordinance/Rules etc.) and “**other guidelines**” cover the guidelines set by the concerned Ministry/the Board under which each of the selected public enterprise is preparing and implementing budgets? WASA, DESCO, BREB, BTMC, BJMC, BSFIC, BPDB, BEXIMCO Group, SQUARE GROUP etc...are strictly following regulatory framework and guidelines for preparing budget for the enterprise.

To what extent do you agree with this statement?

1	2	3	4	5
---	---	---	---	---

Statement # 03:

There is a strong budget committee, budget calendar and there is due approval process at WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC, BEXIMCO Group, SQUARE GROUP etc.

To what extent do you agree with this statement?

1	2	3	4	5
---	---	---	---	---

Statement # 04.

There was an effective communication among the people involved with preparation of budget, implementation and monitoring the implementation status at WASA, DESCO, BREB, BTMC, BPDB, BJMC, BSFIC, BEXIMCO Group, SQUARE GROUP, etc.

To what extent do you agree with this statement?

1	2	3	4	5
---	---	---	---	---

Statement # 05.

There is a strong bureaucracy in decision-making that affects the speed of budget preparation and implementation and monitoring at WASA, DESCO, BREB, BTMC, BPDB BJMC, BSFIC, BEXIMCO Group, SQUARE GROUP, etc.

To what extent do you agree with this statement?

1 2 3 4 5

Statement # 06

There are many financial and non-financial constraints to implement the budget at WASA, DESCO, BREB, BTMC, BPDB, BJMC, BSFIC, BEXIMCO Group, SQUARE GROUP, etc.

To what extent do you agree with this statement?

1 2 3 4 5

Statement # 07:

There is a budgetary slack due to pressure from trade union or other managerial opportunism at WASA, DESCO, BREB, BTMC, BJMC, BPDB, BSFIC, BEXIMCO Group, SQUARE GROUP, etc.

To what extent do you agree with this statement?

1 2 3 4 5

Statement # 08:

There were inadequate internal and external resources for implementing the required budget at WASA, DESCO, BREB, BTMC, BPDB, BJMC, BSFIC, BEXIMCO Group, SQUARE GROUP, etc.

To what extent do you agree with this statement?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1	2	3	4	5

Statement # 09:

There was a budget deficit. That's why enterprises had to persuade government/ Board of Directors to allocate the needed fund at WASA, DESCO, BREB, BPDB, BTMC, BJMC, BSFIC, BEXIMCO Group, SQUARE GROUP etc.

To what extent do you agree with this statement?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1	2	3	4	5

Statement # 10:

COVID-19 Pandemic situation adversely affecting the budget preparation, budget revision, implementation and monitoring at WASA, DESCO, BREB, BTMC, BJMC, BSFIC, BPDB, BEXIMCO Group, SQUARE GROUP etc.

To what extent do you agree with this statement?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1	2	3	4	5

.....

Signature of the respondents with date:

Appendix –B: Questionnaire Survey on Budgetary Practices



Department of Accounting & Information Systems

Faculty of Business Studies (FBS)

University of Dhaka

Dhaka-1000, Bangladesh.

Doctoral Thesis

Budgetary Practices in Selected Public Enterprises of Bangladesh: An Evaluation of Their Effectiveness

Researcher: Mohammad Zamir Uddin Sikder

Questionnaire Survey on Budgetary Practices in Selected Public Enterprises of Bangladesh

Section –A:

Name of the Enterprise	
Address	
Date of Interview	
Place of Interview	
Name of the respondent	
Designation of the respondent	
Contact of the respondent	

SECTION –B:

Type of Organization	
Main Products	
Year of Establishment	
Number of Employees	
Number of branches /Zonal Offices	
No. of regions covered (City/district/division)	

Section –C:

1. Please provide us the details about what are the major activities/ products of the organization A

--

2. Name the different types of activities for which separate budgets are prepared by the organization (e.g., sales, production). Also, mention the duration of the budgets prepared.

Activity	Duration (in months)

3. Please explain step-by-step the annual total and activity –wise budget preparation process followed by the organization.

--

4. Please explain the annual total and activity –wise budget implementation process of the organization.

--

5. Please mention the budgetary allocation and use information for the major /key activities (e.g., Sales, production). Also, mention the duration of the budgets prepared.

Key Activity YES	Budget allocation (Last three years) (in '000 BDT)			Actual Implementation (Last three years) (in '000 BDT)		
	2018	2019	2020	2018	2019	2020

6. Does your organization receive or hear feedback from employees or other stakeholders during the preparation of total and activity –wise budgets?

 YES

 NO

If yes, please explain the feedback mechanism / If no, Explain why?

7. Does the budget need to be prepared in consultation with one or more Ministries?

 YES

 NO

Please write down the name(s) of the ministry (s)

8. Please tell us about the number of departments and officers involved in budget preparation and monitoring & evaluation.

Activity	Number and name of the departments	Number of Officers	Finally approving Department Ministry and Officer Designation
Budget preparation			
Budget monitoring & evaluation			

9. Please explain the monitoring process/ mechanism of budget implementation:

10. What challenges do your organization face in budget preparation, implementation and monitoring & evaluation?

Budget preparation	
Budget implementation	
Budget monitoring & evaluation	

11. Please outline your suggestions for making the budget preparation, implementation, and monitoring process more effective and efficient.

End of the Questionnaire.

Thank you for your cooperation.

Appendix C: Annual Reports of selected 10 enterprises.**Annexure # 1****Table-A1: Non-Financial Public Enterprises**

Sector	No. of Enterprises	Title of Enterprises (Non-financial)
Industry	6	Bangladesh Textile Mills Corporation (BTMC), Bangladesh Steel & Engineering Corporation (BSEC), Bangladesh Sugar & Food Industries Corporation (BSFIC), Bangladesh Chemical Industries Corporation (BCIC) Bangladesh Forest Industries Development Corporation (BFIDC), Bangladesh Jute Mills Corporation (BJMC).
Power, gas and water	7	Bangladesh Oil, Gas & Mineral Resources Corporation, Bangladesh Power Development Board (BPDB), Dhaka Electricity Supply Authority (DESA), Dhaka Water and Sewerage Authority (WASA), Chittagong Water and Sewerage Authority, Rajshahi Water and Sewerage Authority and Khulna Water and Sewerage Authority.
Transport and communication	7	Bangladesh Shipping Corporation (BSC), Bangladesh Inland Water Transport Corporation (BIWTC), Bangladesh Road Transport Corporation (BRTC), Chittagong Port Authority, Mongla Port Authority, Mongla Dock Worker's Management Board, Bangladesh Land Port Authority.
Trade	3	Bangladesh Petroleum Corporation (BPC), Bangladesh Jute Corporation (BJC), Trading Corporation of Bangladesh (TCB).
Agriculture	2	Bangladesh Fisheries Development Corporation (BFDC), Bangladesh Agriculture Development Corporation (BADC).
Construction	5	Rajdhani Unnayan Kartipaksha (RAJUK), Chittagong Development Authority (CDA), Rajshahi Development Authority (RDA), Khulna Development Authority (KDA) and National Housing Authority.
Service	16	Bangladesh Muktijoddha Kalyan Trust, Bangladesh Film Development Corporation (BFDC), Bangladesh Parjatan Corporation (BPC), Bangladesh Small and Cottage Industries Corporation (BSCIC), Bangladesh Civil Aviation Authority, Bangladesh Inland Water Transport Authority (BIWTA), Rural Electrification Board (REB), Bangladesh Export Processing Zone Authority (BEPZA), Bangladesh Handloom Board, Bangladesh Sericulture Board, Bangladesh Water Development Board (BWDB), Bangladesh Tea Board, Bangladesh Telecommunication Regulatory Commission (BTRC), Export Promotion Bureau (EPB), Bangladesh Sericulture Research Institute, and Bangladesh Energy Regulatory Commission.*

Source: Bangladesh Economic Review 2012 (p. 117).

Appendix D: Budgets of State Owned Enterprises

Appendix E: Budget Management Act, 2009.