

:: CHAPTER-V ::

:: FINDINGS SUGGESTIONS AND ::

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5.1 FINDINGS:

The findings are drawn in the existing system of information and reporting system to the Management. These certain points are given below.

- 1) Routine purchases and routine sales are effected by each department other non-routine decisions given below are taken by the General Manager.

Making special purchasing extra quantity for special purchasing extra-quantity for special stocking, in adding new lines of selling at a special discount purchases and sales on purchase turnover requirement of stock.

- 2) Documents required for routine decisions are used by the department heads such as stock cards, purchase and sale order quotations.
- 3) Document required for Non-routine decisions used by the general manager is submitted by the department heads. Such as quotations by the parties, requisitions from concerned departments.

- 4) The departmental heads is provided by their subordinate staff, documents and information already mentioned above.
- 5) Documents and information required by General Manager is provided by the department head.
- 6) Non-proper system to work out the productivity of the workers exist in this organisation.
- 7) Productiwise sale is reported in quantity and not in the values.
- 8) Sales reports are not prepare areawise.
- 9) Management decisions at the General Manager and Director level are taken very informally.
- 10) There is no effective system of budgetary control. Budgets are prepared only by variance to prāvius year figures. Budgets variations are not properly discussed, usually bedgets are not achieved.
- 11) Although internal Audit is there their reports are not propefly acted upon.

5.2 SUGGESTIONS:

- 1) Periodically reports should be prepared to work-out non-moving stocks and steps should be taken for disposal.
- 2) Similarly statement should be prepare to work out due amount of customers and amount due must be classified according Ages i.e.as

follows. Dues within 30 days, 60 days, 180 days and dues within one year as well as dues above one year. This will help recovery of dues as well as improve the information system in the organisation. So as to furnish the necessary information as and when needed.

- 3) Spare parts stocks should also be analysed and recorded according to ages as follows -
 - a) Stocks laying and sold for more than 6 months, 2 years and/or three years.
 - b) Damaged stocks and its recording.
- 4) Valued sale of all the products, its spares should be reported.
- 5) Bank position is not prepared and reported in a way on a day to day by which the management is some times not in a position to take some crucial decisions based on the information provided.
- 6) Physical stock taking of trading items should be carried out on a month to month basis and reported.
- 7) The system of decision making should be call for written information reports suggestion etc., decisions have to be taken on the basis of these documents.

5.3 CONCLUSIONS:

From the above it is seen that although there is M.I.S. it is not very comprehensive or effective. It is therefore suggested, that there should be an independent department. The department should be directly under the control of the Managing Director. An independent department will be able to remove all deficiencies and gets in communication.

A master chart should be prepared of all reports and it should be with the Managing Director.