

INTRODUCTORY STATEMENT

The going concern concept has it that once an organisation commences business it wishes to continue operations in perpetuity. That is, to continue operations for a foreseeable future. Thus, whatever the nature, size and mode of operation of the business; the going concern concept still has its place. Many reasons abound for the conception of a business as a going concern. This ranges from the benefits derived, meeting of specific needs of individuals, and that of the society at large. Ironically, a business, like any other human entity cannot exist in perpetuity, but could be in existence for a much longer period of time. Thus, the long existence of a business, hinges on some factors, such as effective planning, good management, profitability, conducive operating environment favourable government policies etc. However, planning constitutes a key factor in the management process of a business, it is also the bedrock to other success factors.

Planning is a comprehensive management function that includes setting of goals, selecting missions and objectives and developing active plans to achieve them. It bridges the gap between 'where we are' and 'where are going'. According to Cole (2002:122), "planning is basically a decision making process by which an organisation decides what it wants to achieve, how it intends to achieve it, and in what manner". It is concerned with ends, means and conduct. Planning is the design of a desired future and effective ways of bringing of about (Ackoff, 1981). A distinction is normally made between short term planning and long-rang planning (Strategic or Corporate Planning). Sizer (1989) defines long-range planning as a systematic and formalized process for purposely directing and controlling future operations towards desired objectives for periods extending beyond one year. Short-term planning, on the other hand must accept the environment, and the physical, human and other financial resources at present available to the firm. Planning is an essential tool for business survival, it reduces uncertainty and provides direction of efforts by determining the

course of action in advance. Planning remains inevitable for managers that wishes to succeed. It involves the determination of what should be done, how the goals may be reached and what individuals or units to assume responsibility and be held accountable. Planning coordinates the various activities of an organisation to ensure the congruency of goals in order to attain the firm's objectives. However, an aspect of planning which entails the preparation of plan of action for future period for the success of the firm is known as **budgets**.

Budgets are financial plans of the resources needed to carry out task and financial goals. They are plans expressed for the future to be accomplished within a specified time period. Charles T. Horngren (1997:176) defines a budget as "a quantitative expression for a set time period of a proposed future plan of action by management of an organisation". Budgets provides an orderly way to proceed to attain goals and also provides a time schedule for future actions to produce measurable result. According to Adeniyi: Adeniji (2004:298) a budget is "a plan quantified in monetary terms, prepared and approved prior to a defined period of time, usually showing planned income to be generated and expenditure to be incurred during that period and the capital to be employed to attain a given objective". Budgets coordinates the activities of employees and the various units of a firm to achieve congruency of goals. It serves as a guide to activities of an organisation. It ensures that all efforts by individuals and units are geared towards the attainment of the overall corporate objective. This meshing of objectives brings about a boost to the overall corporate performance of the organisation.

The corporate performance of a firm determines it's success and by extension it's longevity (survival). The corporate performance of a firm could be effective and efficient or otherwise (weak or poor). Thus many factors are responsible for the nature of a firm's corporate performance. It has been the wish of managers to see to the continued existence of a firm for a foreseeable future. Thus, managers strive to achieve a continued effective and efficient corporate performance to guaranty the

organisation's existence. This they do by constantly adopting measures that will enhance the firm's corporate performance. Thus, this research is predicated on the need to assess the place of budget in the corporate performance of Akwa Savings and Loans Limited, Uyo.

1.1 STATEMENT OF THE PROBLEM

Budgets are comprehensive and coordinated plan expressed in financial terms for the operations and resources of an enterprise for some specific period in the future. This plan (budgets) helps in the organizations attainment of it's objectives. Irrespective of the availability of budgets as a tool for effective corporate performance, most firms are yet to derive the accruing benefits. This constitutes problems as identified by the investigator. However, this problems ranges from non-adoption, ineffective implementation and control of budgets.

Some organisation designates the responsibility of budget formulation totally to low level staff of the organisation. The supervisors and other top level executives only approves the budgets without actual verification to justify the budgeted levels by the low level staff. Hence, budgets so prepared does not give a true reflection of the organisation. This may in turn result in setting too low a target or very high target to be met. Thus, further results in large variances i.e. wide deviation of the actual from the budgeted.

Budgets as financial plans entails planning both for the future income and expenditure of the firm. It serves as a bedrock of an organizational financial control. It helps to streamline an organisation's activating level in consonance with those planned for. Nevertheless, some organizations do not adhere strictly to the planned level of activity, they tend to deviate, thereby incurring more expenditures without much effort geared towards revenue generation. This mostly occurs due to the ineffective implementation and control of budgets. Thus further resulting in an ineffective financial control. Also, as an offshoot of the above problem some firms profitability has declined significantly over the years following the ineffective implementation and control of

budgets. This, by extension distorts the corporate performance of the organisation. Hence resulting in difficulty in attaining it's objectives.

Consequently, it is with regards to the above problems needing urgent attention, that the researcher decides to find solutions to the problems so identified.

OBJECTIVES OF THE STUDY

The broad objective of this study was to find out how budgets can be a handing tool for effective corporate performance of Akwa Savings and Loans Limited, Uyo.

However, specific objectives of the study were as follows:

- To identify the types of budgets prepared by Akwa Savings and Loans Limited, Uyo (ASL).

- To assess the impact of budgets on ASL's profitability.

- To ascertain the impact of budgets on it's financial control.

- To find out how budgets serve as an effective tool for decision making.

- To assess the budget control measures adopted by ASL and it's effectiveness.

1.3 RESEARCH HYPOTHESES

To guide the field operation of this study and especially to ensure that all data collections and analytical efforts were directed at searching out answers to the various aspects of the research problems, the following research hypotheses were formulated.

H1: There is a significant relationship between ASL budgets and that of other financial institution.

H1: Profitability of ASL has been significantly enhanced by budgeting controls adopted.

H1: Financial control measures of ASL is strengthened by budgeting.

H1: Budget does guaranty the effective and efficient corporate performance of ASL.

1.4 SIGNIFICANCE OF THE STUDY

This study has it's significance in all aspects of human endeavour. Thus, it's significance cuts across the individual, corporate, Government and societal perspectives.

For the individual, this study will be of immense help, because it gives a good orientation on planning, going by the fact that all individuals are faced with some kind of situation which requires some sort of planning. Thus, it (the study) buttresses the need for setting clear and realistic goals and also working towards it's achievement. Also, for corporate bodies, this study will be an eye-opener to certain clues that ensures a firm's growth, maturity and sustenance. Hence, it emphasizes the need to set clear and realistic goals, to coordinating all efforts towards it's achievement and a comparison of results and goals set for effective control.

As concerning the government and the society at large this study, gives important fact concerning budget formulation implementation control and it's importance. It is an agreed fact that budgets prepared by the government serves as a basis for policies which effect the overall economic activity in the economy. Hence, with this study highlighting important facts concerning budgets, better budgets will be formulated and better policies for the advancement of economic activities. Thereby, fostering economic growth and development.

SCOPE AND LIMITATION OF THE STUDY

The scope of this study covers the preparation, implementation and control of budget that forms a basic tool for an organisation's goal attainment and effective decision making.

Also, this study only examines the effectiveness of budgets toward goal attainment with regards to only one mortgage institution amongst the many in the industry.

The following constraints were encountered by the researcher in the course of making this study:

Financial Constraints: Some of the research procedures, techniques, methods and processes were not applied in this work because of the cost involved. Thus, there was not enough funds to meet these needs.

Non Response: Although, detailed explanations more made as to the purpose of this study, some people were reluctant to answer and return their questionnaire

passed to them in time.

Time Factor: The period of time allowed for the conduct of this study was very short, given the nature of indepth analysis required. Also, the short period was loaded with academic activities and other academic commitments.

ORGANISATION OF STUDY

This study was organized into five chapters: Chapter 1, contains the introduction, statement, statement of the problem, objectives of the study, Research hypothesis, significance of the study, scope and limitations, organisation of study and a brief historical background of Akwa Savings and Loans, Limited, Uyo. Akwa Ibom State (subject of study). Chapter 2 presents a review of related literature. Chapter 3, presents the research methodology and design of study. In chapter 4, the data collected is presented analysed and interpreted through the use of tables and figures to fully explain the findings. Finally, chapter 5, being the last chapter, contains the summary, conclusions and recommendations.

BRIEF HISTORICAL BACKGROUND OF AKWA SAVINGS AND LOANS LIMITED, UYO, AKWA IBOM STATE

Akwa Savings and Loans Limited (ASL) was incorporated in 25th January, 1993 under the name Akwa Mortgage Finance Limited (RC213814) with an authorized and fully paid share capital of N200 million.

The name of the Bank was changed the Akwa Savings and Loans Limited by a special resolution on 23rd June, 1995. The Bank was subsequently reincorporated on 7th July, 1995 in accordance with Mortgage Institution Decree 53 of 1989. On 24th August, 1995 it was licensed to carry on Mortgage banking business and in August 1995 it commenced operations at it's corporate Head Office, 42, Oron Road, Uyo. The Bank is wholly owned by the Government of Akwa Ibom State.

Akwa Savings and Loans Limited is a provider of Mortgage and Bankings Services to corporate, Commercial and individual customers. The Bank provides such banking services as Savings and deposit accounts; and Mortgage services such as

commercial and individual mortgage loans, Mortgage administration scheme, National Housing Fund (NHF) loan and estate services.

The Bank has identified the vital role that the housing sector plays in the economic development of the country. In that regard, the Bank is repositioned to play a pivotal role in the housing sector by harnessing. Core ideals of efficiency, humility and harmony, while utilizing up-to-date information and communication technology.

BUDGET AS A TOOL FOR EFFICIENT CORPORATE PERFORMANCE IN AKWA SAVINGS AND LOANS LIMITED, UYO, AKWA IBOM STATE (ASL).

The complete project material is available and ready for download. All what you need to do is to order for the complete material. The price for the material is NGN 3,000.00.

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