

The Impact of Financial Accounting and its Reporting to Private Colleges in Bhavnagar Gujarat.

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ARTICLE INFO	ABSTRACT
Received: 30 Dec 2024	<p>Financial accounting and its reporting are authentic subject to discuss and it impacts to all businesses, industries, educational institutions by providing deep knowledge and understanding for accurate financial recording which results in accurate decision-making. Financial accounting plays a most important role in enabling clean picture, accountability, and long-term goals for colleges. Bhavnagar Gujarat is the region which has 1 University since 1978 named Maharaja Krushnakumarsinhji Bhavnagar University. In year 2000 only government colleges and constituents colleges were working but afterwords several grant-in-aid and more than 200+ private colleges established. Financial accounting makes aware to all business venture that how to maintain efficient records of financial transactions, it brings transparency to communicate with decision maker of an organisation. Financial statements such as profit and loss account, balance sheet and cash flow statement show clear vision of business financially which result trust building to its ultimate users. Private colleges are bound by rules of University Grants Commission with its regulations and time to time amendments. For new ventures and current institutions development investment decisions are considering as life blood. Due to underinvestment, overinvestment business cannot run appropriately. Financial reports help an institution to identify areas where resources are being underinvested or overinvested. It signifies better budgeting and improved management of funds. By care of financial records, educational institutes can manage expenditures. This helps in cost management for better decision-making regarding income source, investment in infrastructural development, improving facilities to staff, new recruitment etc... Perfect financial reporting facilitates private colleges to apply for grants, loans, government schemes and other monitory sources of fund from financial support provider bodies, banks, or private investors. It also focuses on reporting for assessment and Taxation to minimize tax obligations such as GST and income tax.</p>
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INTRODUCTION

In the current scenario of education, private educational institutions play a crucial role in sustaining balance between traditional and current educational system. It provides best platform to students and contributing to society's as they required. These institutions, which run independently of government funding, can easily understand latest requirement of education and its development. For providing updated infrastructure they must have to maintain effective financial management which ensure sustainability, growth, and quality education. The life blood of financial management is financial accounting and its systematic recording, reporting, to decision makers.

In last 2.5 decade in Bhavnagar Gujarat, researcher had deeply understood that there was no existence of private colleges before 25 years and today more than 200 private colleges serve such a valuable education to the youth of Bhavnagar and outsiders to Bhavnagar. All the private colleges have covered all the branches of college education like Certificate courses, Diploma courses, UG, PG, PG Diploma, Honours and Doctoral degree. From last year whole university has introduced NEP – 2020, based on that all the affiliated colleges get new era to shape quality education to society.

Financial accounting is a tool by which private colleges get necessary transparency, resources management techniques efficient planning, and help to make quality decisions. Through perfect timely financial reporting, such

institutions can pass message to their financial investors. For private educational institutes key investors include students, parents, staff, donors, and regulatory bodies. In addition, it guides private institutions stick with legal requirements, maintain administrative integrity, application of fund and secure fund for future development.

With introduction financial accounting and its reporting systems educational institute can sustain in competitive market with some operations and strategic decision-making. By studying financial statements, like as profit and loss account, balance sheets, and cash flow statements one can able to get valuable insights into their income and expenditures streams, cost management, and overall financial availability. Moreover, financial reporting practices helps for accurate accountability, attracting trust to entrepreneurs which can expand their goodwill in a competitive education market.

At Recent time long-term planning is required to sustain in competitive market, accounting system allows educational institutions to plan for next few years' growth, introduction of new courses, expansion in their current facilities.

Financial accounting holds paramount importance in private educational institutions, serving as the backbone for strategic decision-making, resource allocation, and financial transparency. For private colleges in Bhavnagar, Gujarat, maintaining effective financial records is not only a legal requirement but also a critical component of institutional sustainability and growth. These colleges, operating independently from government funding, face unique financial challenges that require meticulous planning and sound financial practices.

Institutions that follow financial accounting principles achieve efficient fund management which allows them to better their infrastructure and draw qualified faculty members while improving student facilities. The practice of accurate financial reporting helps build trust with outside parties and this foundation allows colleges to secure donations and grants as well as investments that support development. Private education institutions that execute effective financial management reach superior market success when they adapt to educational market changes.

The rapid expansion of private colleges in Bhavnagar requires businesses to implement effective financial accounting systems which ensure proper planning capabilities and regulatory adherence alongside operational transparency. Financial accounting and reporting practices receive research attention for their influence on private education institution performance and operational efficiency. The study investigates Bhavnagar's private college challenges to understand how financial accounting supports transparent educational operations.

OBJECTIVES OF THE STUDY

The following are key objectives of studying "The Impact of Financial Accounting and Its Reporting to Private colleges in Bhavnagar, Gujarat" it can focus on how financial accounting practices and reporting affect the nature of institutes, transparency, and decision-making processes within entire educational institutions.

- To understand financial management of private colleges in Bhavnagar, Gujarat
- To identify impact on how resources allocated to private colleges in Bhavnagar
- To understand compliance with regulations and taxation policies applicable to private colleges in Bhavnagar
- To explore improvement in operational efficiency and institutional reputation related to private colleges in Bhavnagar

By studying these objectives, researcher can insights into how financial accounting and reporting are crucial tools for the Business life cycle of Private colleges like introduction, growth, maturity and decline in existence of private colleges in Bhavnagar, Gujarat.

REVIEW OF LITERATURE

Financial accounting and its reporting are key aspects of business operations across different sectors, including education. Private educational institutions in India, such as those in Bhavnagar, Gujarat, shows sound financial management to ensure sustainability and growth. The role of financial accounting and its reporting in these institutions extends by regulatory compliance; it contributes efficiently to decision-making, transparency, and accountability. This literature review explores the impact of financial accounting and reporting on private educational institutions, focusing on their management, operations, and overall outcomes.

Donnell and Keontz, (2004) Financial aid management is the managerial activity which deals with the planning, controlling, organizing the financial resources of an organization; in other words, the management of the finances of a company in order to achieve the financial objectives of the company.

Badertscher et al., (2013). Finally, a few studies investigate the real effects of financial reporting for the aggregate input or output market. These studies are consistent in their finding that financial reporting can facilitate the efficient allocation of resources across firms.

Verma and Agarwal (2017) put emphasized that financial reporting in educational institutions involves preparing balance sheets, income statements, and cash flow statements. These documents show the financial status of the institution and provide crucial data for institutional owners, including government bodies, donors, and parents.

Bhattacharya (2018) argued that transparency in financial reporting enhances the trust of stakeholders. For instance, when parents are confident that an educational institution is managing funds prudently, they are more likely to continue supporting the institution, both financially and by recommending it to others. Trust, as a result, is central to the institution's reputation.

Rathi and Gupta (2018) Effective financial accounting enables educational institutions to plan for the long-term sustainability. It can be achieved when institutions set aside funds for infrastructure development, faculty development programs, and technology upgrades based on financial reports and projections.

Singh and Soni (2019) state that private educational institutions need accurate financial accounting systems to manage that resources are allocated effectively. Financial data helps decision-makers to develop system of spending, plan budgets, and make strategic choices regarding development of their institutes. Improper financial reporting can lead to inefficiencies, affecting the institution's goodwill and its acceptance by society.

Patel and Joshi (2019), many private educational institutions depend heavily on tuition fees as their main revenue source. This dependence poses risks in periods of economic downturn or when student enrolment drops. Financial accounting helps in anticipating such fluctuations and planning for financial stability by diversifying revenue sources.

The Ministry of Finance (2020) highlighted the importance of structured reporting to maintain the organization's credibility and avoid problems. Private educational institutions in India must comply with the regulatory framework set by the government, such as the Indian Income Tax Act, the Goods and Services Tax (GST) Act, and the Companies Act, 2013.

Shah and Patel (2020) Financial reports are vital for attracting donations and investments. Moreover, they found that private educational institutions often rely on philanthropic donations or sponsorships to fund scholarships and infrastructural development. Donors expect detailed and transparent financial statements to ensure their contributions are used appropriately.

Gujarat Educational Association (2020) Bhavnagar private educational institutions along with other Gujarat institutions face difficulties because they currently use outdated accounting systems due to their lack of automated financial tools.

(Dixit, 2020) The institution uses financial reports to measure its performance results. Through regular financial audits combined with assessments the management team can check their performance and verify the strategic employment of resources. The institution depends on this accountability for both its reputation and accreditation support.

Pandey et al., (2020) The study using Confirmatory Factor Analysis on Indian students demonstrated minimal relationship between financial literacy and financial well-being.

(Sharma, 2021) Financial accounting supports the efficient allocation of resources, which is crucial for educational institutions operating with limited budgets. Financial reports provide insights into areas of inefficiency, allowing institutions to optimize their spending and improve operational performance.

Kumar and Joshi (2021) in Gujarat revealed that many private educational institutions lack financial management expertise. This lack of knowledge results in poor financial planning, which affects long-term

sustainability. Furthermore, these institutions may not fully understand the regulatory compliance requirements, leading to penalties and inefficiencies.

Setiawan et al., (2022) Java Island Saving and spending behaviour Digital financial literacy Structure equation modelling the study of 527 sample of the millennials between 25-40 age it was found digital financial literacy has effect on savings well as spending behaviour.

S P Sharma (2022) Despite the importance of financial accounting, private educational institutions often face several challenges in managing their finances effectively.

Nurhas, et al. (2022) Universities across the world meet contrasting changes alongside new difficulties because of growing higher education diversification and expansion along with worldwide trends. Digital transformation has become a critical issue among other concerns.

Khalique, et.al (2023) culture is often seen as a source of conflict rather than synergy as it is described as a framework where the members of a society transmit their behavioural patterns, assumptions, norms, beliefs and values in each society or organisations. People from different cultures interact with one another for their social needs which give rise to this conflict. Therefore, the concept of the organisational culture, being similar or different from its national cultural orientations, would establish the rate of success for a subsidiary of an MNC.

Capraro, et al. (2024) Nowadays, AI technologies have potential to further transform teaching and learning in higher education, but they may exacerbate existing inequalities and the digital divide This is due to unequal access to technology and digital devices and pre-existing socioeconomic inequalities. (Bulathwela et al., 2024; Capraro et al., 2024). Therefore, it is essential for stakeholders to explore strategies for using technology to facilitate learning and teaching while mitigating existing inequalities and digital divide.

Obenza et al., (2024) Philippines Financial wellbeing Financial behaviour Structure equation modelling The study shows the positive relationship between financial behaviour and financial wellbeing of the students.

METHODOLOGY

The research methodology adopted for this study is both qualitative and quantitative, aiming to provide a comprehensive understanding of the impact of financial accounting and reporting on private colleges in Bhavnagar, Gujarat. The methodological framework is designed to gather empirical data that can effectively address the research objectives and hypotheses, focusing on the financial practices and reporting mechanisms in these institutions.

Research Design

The study follows a descriptive research design, as it seeks to describe the current financial accounting practices and reporting systems within private colleges. This approach allows for a detailed examination of the factors influencing decision-making and operational efficiency. The research design is chosen because it helps in capturing the nuances of the financial processes involved and how these practices impact the functioning and sustainability of educational institutions.

Sampling Technique

The study adopts a **stratified random sampling** technique to ensure that a representative sample of private colleges is selected from Bhavnagar. The sample includes 172 respondents from a population of more than 200 private colleges. These respondents are a mix of college administrators, financial officers, and trustees who have direct experience in managing financial records and reports. The colleges were selected based on their affiliation with Maharaja Krushnakumarsinhji Bhavnagar University, ensuring consistency in institutional context.

Data Collection Methods

To capture both qualitative and quantitative data, the study employs a **survey questionnaire** as the primary data collection tool. The questionnaire is divided into five sections:

1. **Financial Accounting Practices:** Focuses on the types of accounting systems used, compliance with financial reporting standards, and methods for managing financial transactions.

2. **Financial Reporting:** Examines the frequency, transparency, and types of reports generated, such as balance sheets, profit and loss statements, and cash flow statements.
3. **Impact of Financial Practices:** Evaluates how financial accounting impacts operational efficiency, decision-making, and institutional growth.
4. **Regulatory Compliance:** Investigates adherence to government regulations, such as GST and tax policies.
5. **Challenges and Recommendations:** Identifies key challenges in implementing effective financial reporting systems and potential solutions to overcome them.

The survey is administered through **Google Forms** to ensure accessibility and ease of data collection. Additionally, qualitative interviews with key institutional stakeholders, including CFOs, finance committee members, and college trustees, are conducted to gather insights into the decision-making processes influenced by financial reporting.

Data Analysis Techniques

For the quantitative data, the study uses **descriptive statistics** to summarize the responses. This includes frequency distributions, percentages, and mean scores to present a clear picture of the financial practices in private colleges. The responses are analyzed through **SPSS software**, which aids in the calculation of statistical measures and helps identify patterns in financial reporting practices across the institutions.

For qualitative data, thematic analysis is applied to the interview transcripts, allowing for an in-depth exploration of the themes emerging from the respondents' experiences with financial accounting and reporting. Thematic analysis helps categorize responses into key themes such as financial transparency, resource allocation, and regulatory compliance, providing a deeper understanding of the impact of financial practices.

Reliability and Validity

To ensure the reliability and validity of the findings, the questionnaire is pre-tested with a small sample of colleges in the region before the main data collection. Feedback from this pilot testing is used to refine the instrument and improve clarity. The study also ensures validity by relying on established financial reporting standards and using a representative sample of colleges from Bhavnagar. Additionally, multiple data sources (questionnaires and interviews) are triangulated to enhance the robustness of the research findings.

Ethical Considerations

Ethical considerations are integral to the study's design. Participation in the survey and interviews is voluntary, and all respondents are informed of the study's purpose, ensuring their consent is obtained before participation. To maintain confidentiality, all personal and institutional information is anonymized. The study adheres to ethical guidelines in data collection, storage, and reporting, ensuring that the privacy and integrity of all respondents are respected.

Research design

The present study deals with the Impact of financial accounting and its reporting to private colleges in Bhavnagar, Gujarat. Bhavnagar district covers more than 200 private colleges. The colleges are mainly affiliated to Maharaja krushnakumarsinhji Bhavnagar University. In addition, 1 private university works with lot of courses independently. But because of long history of Maharaja krushnakumarsinhji Bhavnagar University majority student take their education from here. At the end of every year many new institutes are apply to start new colleges, new courses as per the rule of NEP 2020. Here researcher had mainly focused on financial accounting and its reporting which definitely helps to investor for decision making regarding their investments in current competitive environment.

Sources of data

Survey research method is crucial method with this study because it is more suitable with the topic and interpretation type. Survey research was unidentifiable during earlier research techniques but its importance for upgradation-oriented studies and now it became essential by increasing its performance in studies. Today the

combination of research and development with survey requires quantitative data analysis method in many research work which we have applied in our study.

The survey material collection relies on questionnaires which the researcher distributes to the education sector investors within Bhavnagar region, institutions including private colleges only. Reliable information also comes from Different books and journals and the organizational heads who educated researcher about this essential social development concept in management and education. By the personal meeting with trustees and investors in colleges, researcher gets very crucial information about financial accounting and its reporting helps them to take progressive as well as sustainable decisions.

Rationale of selection of this topic

Research topic " The impact of financial accounting and its reporting to private colleges in Bhavnagar, Gujarat" brings the essential function that financial accounting and its reporting performs in developing higher education quality. Private college experience specific challenges as compared to government college because of difficulties regarding financial availability administrative systems, workload and advancement opportunities.

Understanding of financial accounting and its reporting increase satisfaction levels among private college operators because it directly influences their motivation levels and innovation decision of their institute. It increases effectiveness and performance of their institutions. The financial accounting and its reporting teach to private college that how to manage funds. For satisfying upcoming needs what are the parameters to focus.

Financial Accounting is under use from 19th century it commonly termed as accounting. The American Institute of Certified Public Accountants defines Accounting as "an art of recoding, classifying and summarizing in a significant manner and in terms of money, transactions and events which are in part at least of a financial character, and interpreting the results thereof." The first step in financial accounting cycle is to recognise transactions that will find in books of accounts. Transactions having financial impact only are to be recorded. E.g. if a college negotiates with the students regarding concentration in study, this will not be recorded. But if it will exchange of money or money's worth it will definitely be recorded. Secondly, all the transaction are basically recorded by its specific rules to signify its correct picture. Transaction of similar nature are grouped together and recorded accordingly. e.g. Sales Transactions, Purchase Transactions, Cash Transactions etc. Thirdly, after expansion of business the transactions increase in number and it will be critical to understand its combined view so we have to focus on effect of the same by referring to individual records. In the language of accounting, it is considered as summarizing them. At recent time with the aid of computers, this task is simplified in with accounting tools. The summarization of account will help to users for the business information to understand and interpret business results. Lastly, the accounting record provides to user's different statements which will describe what has happened to the business. What are the steps that users need to take to increase profit. What is the expenditure that need to put break for future arrangements.

RESULTS

Steps/Phases of Accounting Cycle

The steps or phases of accounting cycle can be developed as under:

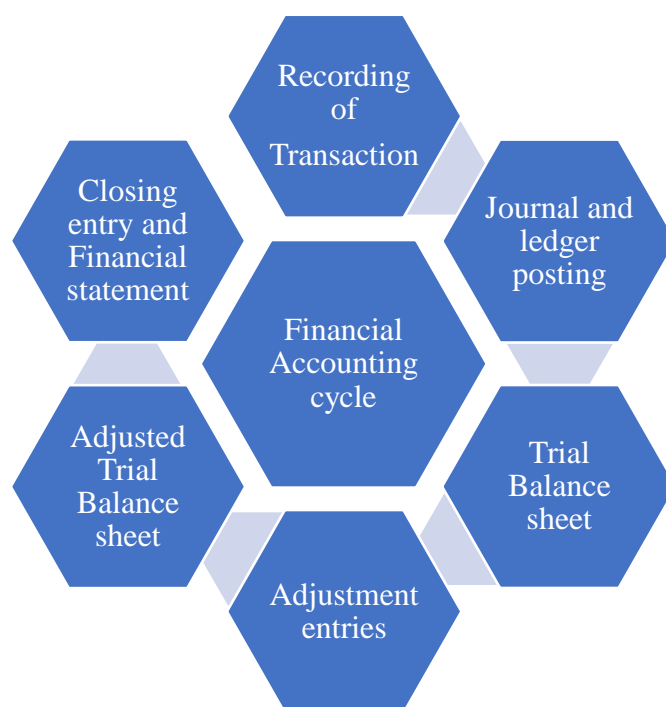


Figure 1: Conceptual Framework

ACCOUNTING CYCLE

Recording of Transaction: It is first step of financial accounting cycle when transaction happens it is at first recorded in subsidiary book.

Journal and its Ledger Posting: Journal entries are second key segment of financial accounting it is based on specific principles it has two effects with same total amount one is debit effect and another is credit effect. From the journals accountant prepare ledgers which are also based on principles. All journals are posted into ledger with specific rules and in a classified manner

Trial Balance sheet: After preparation of ledgers next important step is trial balance sheet. It has two sides debit and credit it is the worksheet with which accountant can check book keeping is correct or not. The total of both sides must be equal. Trial balance sheet shows expenditure, revenue, assets and liabilities. Trial balance sheet confirms that there is no error in financial accounting and its reporting.

Adjustment Entries: In financial accounting accountant take proper care of all the rules still some of the event need to make adjustment and it has dual effect in some ledgers and statements accordingly, before preparing financial statements.

Adjusted Trial Balance: Some accountant prepares adjusted trail balance sheet for checking accounting recordings are correct or need to rectify any unrecorded errors.

Closing Entries and Financial statement: All the personal and impersonal accounts are to be closed and after duly verified it will be transfer to financial accounts. Trading Account and Profit and Loss Account adjusted profit and loss account and lastly Balance sheet.

DISCUSSION

Statistical Analysis

Researcher had sent questionnaire to 200 respondents from that 172 response were covered with google form platform. The questionnaire is subdivided in 5 sections and its tabular as well as graphical analysis are as follows.

General financial accounting questions and its responses.

From the following what is the income sources of your college?

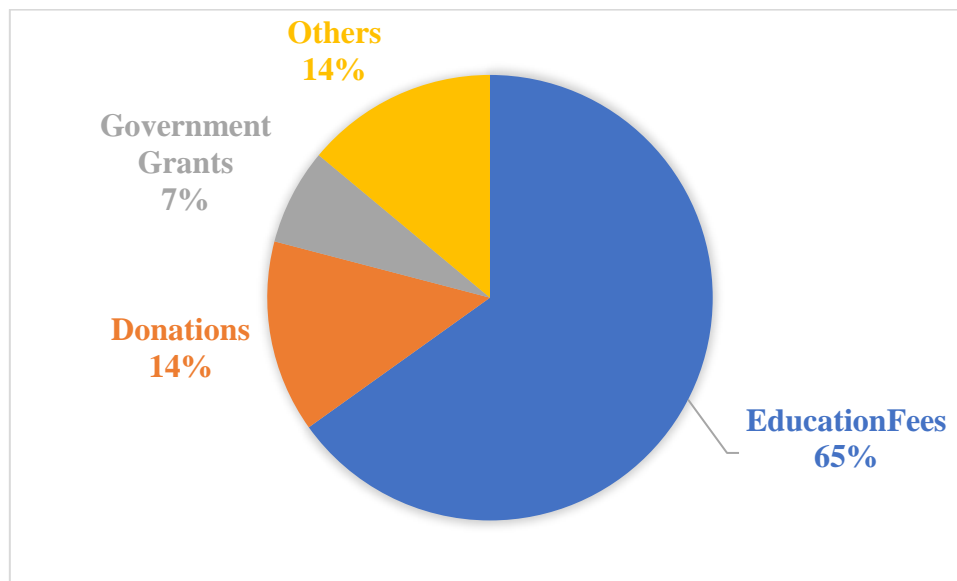


Figure 2: Income Sources of Colleges

The above chart signifies that from total 172 response given by colleges, out of given four alternates of this question majority are thinking that educational fees are the key source of revenue of college. Remaining three options explains that they earn money from donations, government grants and other outside sources.

From the given accounting system which system do you follow for managing financial records?

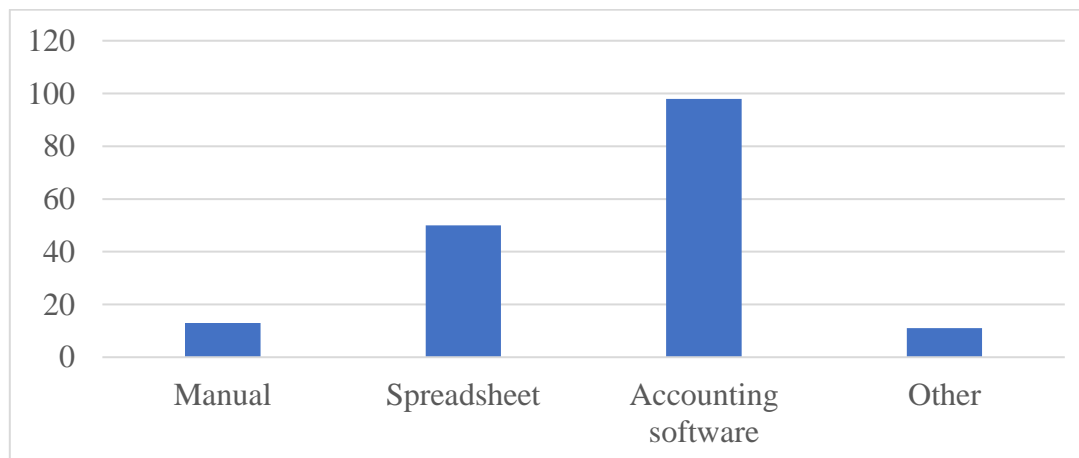


Figure 3: Accounting system for managing financial records

It is time of introducing latest techniques for recording and summarizing books of account, but 13 colleges are still using traditional patterns for managing financial records while 11 colleges don't follow the financial records as per basic principle of accounting. 50 colleges are using computer-based recording and 98 are upgraded with current trends.

In your college who are looking financial accounting and reporting?

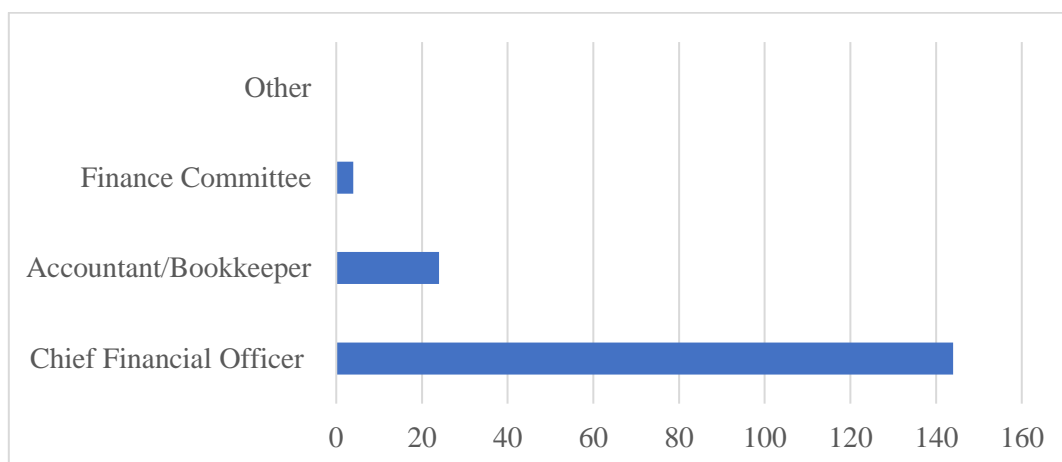


Figure 4: Looking financial account in your college

Majority of colleges have CFO. 24 colleges have their accountant who looks for accounts while 4 college have separate finance committee.

From the given intervals express your reply for internal audits of your financial records?

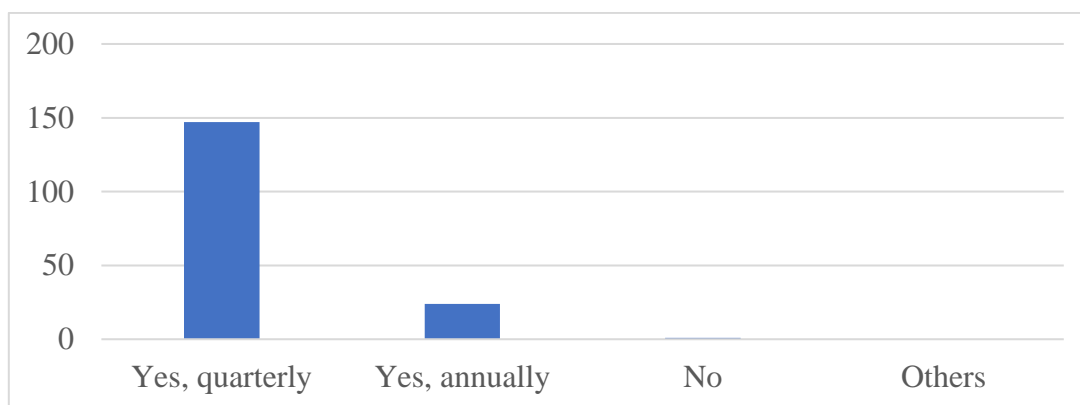


Figure 5: Do you conduct regular internal audits of your financial records?

From total 172 colleges 147 colleges checking books of account and doing its audit at every 3 months, only 24 colleges do it annually and remaining colleges only prepares account after that they do not recheck it.

Are you following Generally Accepted Accounting Principles (GAAP) or any other recognized accounting standards for financial records preparation in your college?

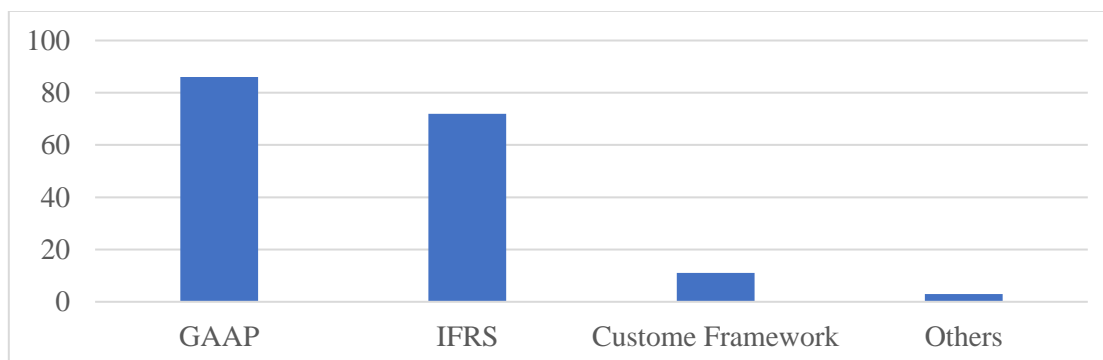


Figure 6: Principles and Accounting Standards

Accounting is basic need of any business venture. If it follows the principles of accounting it becomes more reliable. From above chart it is clear that 86 colleges are using Generally Accepted Accounting Principles (GAAP), 72 colleges are using International Financial Reporting Standards (IFRS), 11 colleges are using their custom framework only 3 colleges do not follow basic principles of accounting they do accounting as per their need.

Financial Reporting and Transparency

How much time your administrative and board members check financial reports prepared for the college?

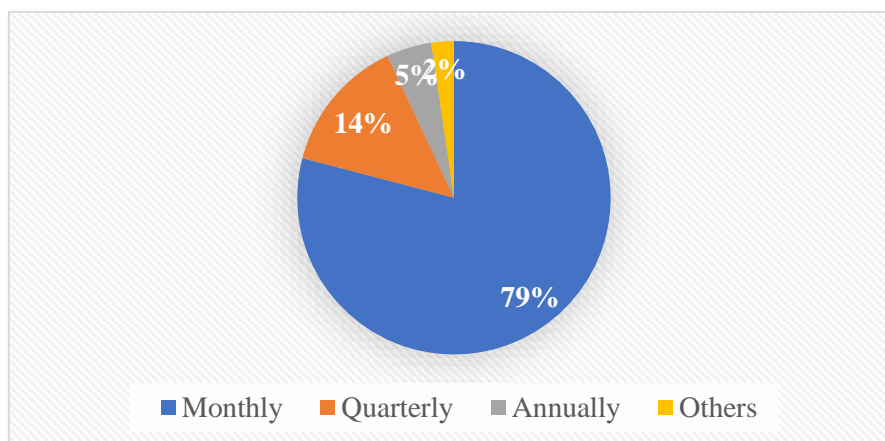


Figure 7: Reporting for Administration

Report preparation is most important for decision making here 136 colleges are preparing reports monthly for administration, 24 colleges prepare it quarterly, 8 colleges are doing it quarterly and only 4 colleges never make it for administration.

Other than Administration member any outsider asks for financial reports of your college? (e.g., donors, University, government agencies)?

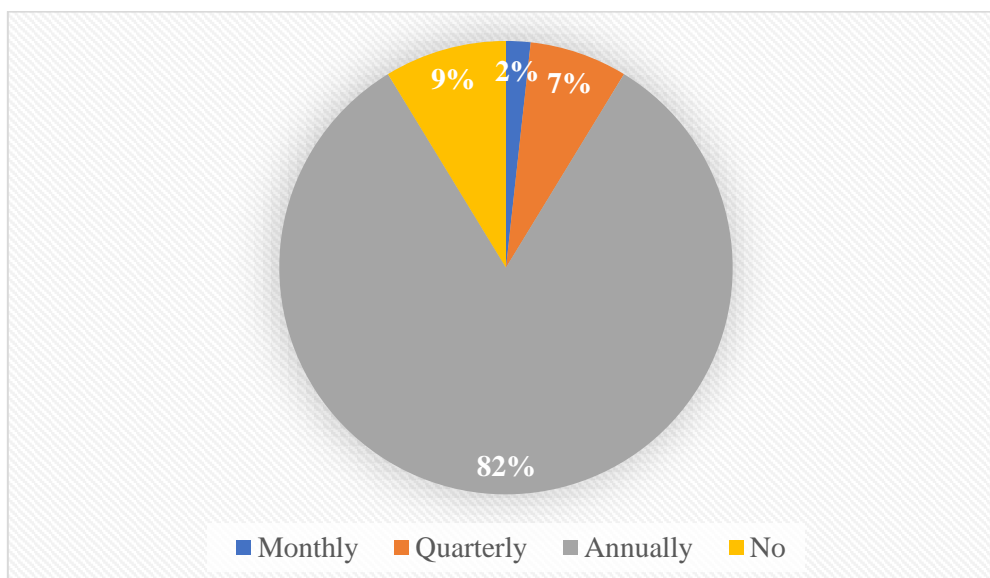


Figure 8: Outsider asks for financial reports

From the above chart it is clear that outside agencies such as donors, universities and government agencies ask about income and expenditures mostly annually. But 12 colleges says that they show report quarterly. For 15 colleges no one is asking for records while lastly 3 colleges report to outsider on monthly basis.

From the following which financial statements do you prepare on a regular basis?

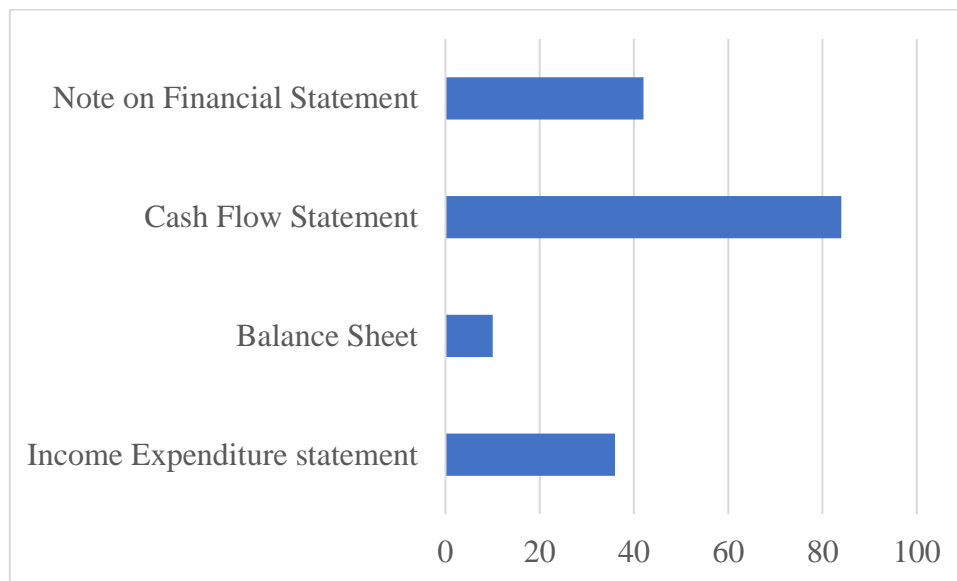


Figure 9: Statement that you prepare

Here for colleges regular basis cash inflow and outflow is taking place just because of innovation and development activities so 84 colleges are daily preparing cash flow statement, secondly 42 colleges are preparing note on financial statement, 36 colleges are mainly focusing on profit and loss while only 10 colleges are making entry in Balance sheet.

In your college is it necessary to disclose the salaries of top administrative and academic staff in your financial statements?

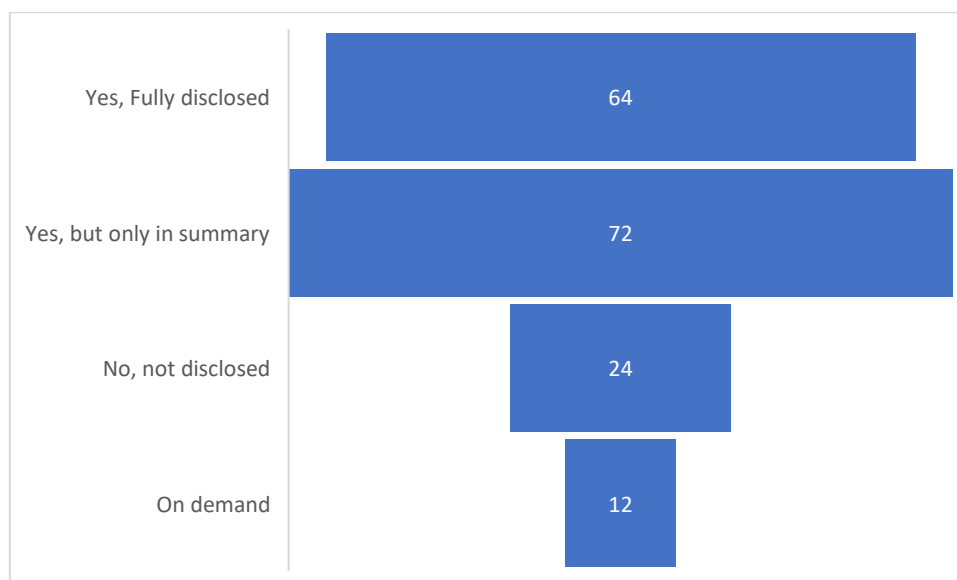


Figure 10: Disclosure of Salary in Financial Statement

In financial statement salary expenditure is fully disclosed by 64 colleges out of 172 colleges, 72 colleges are showing its summary only 24 colleges make it confidential while 12 plays neutral role if it is demanded they will disclose as per its need.

Is your college publishing audited and verified financial statements reports in public?

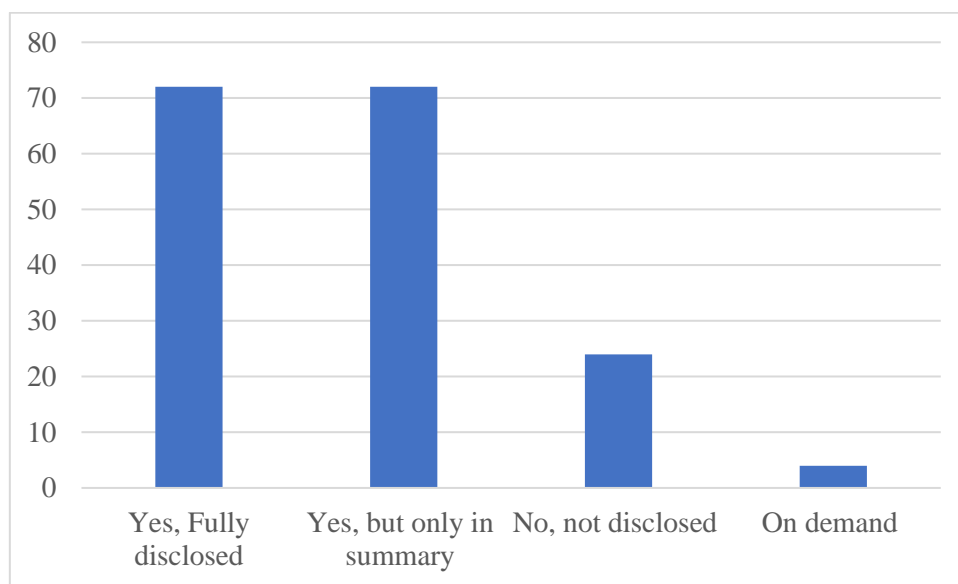


Figure 11: Financial Statement Publicity

From above chart it is clear that 72 colleges are put their data in front of public while another 72 colleges put data with summary form, 24 colleges think that it is not needed to spread while remaining 4 have transparency to publish with demand.

Budgeting and Financial Planning.

Steps taken by your college to prepare annual budget.

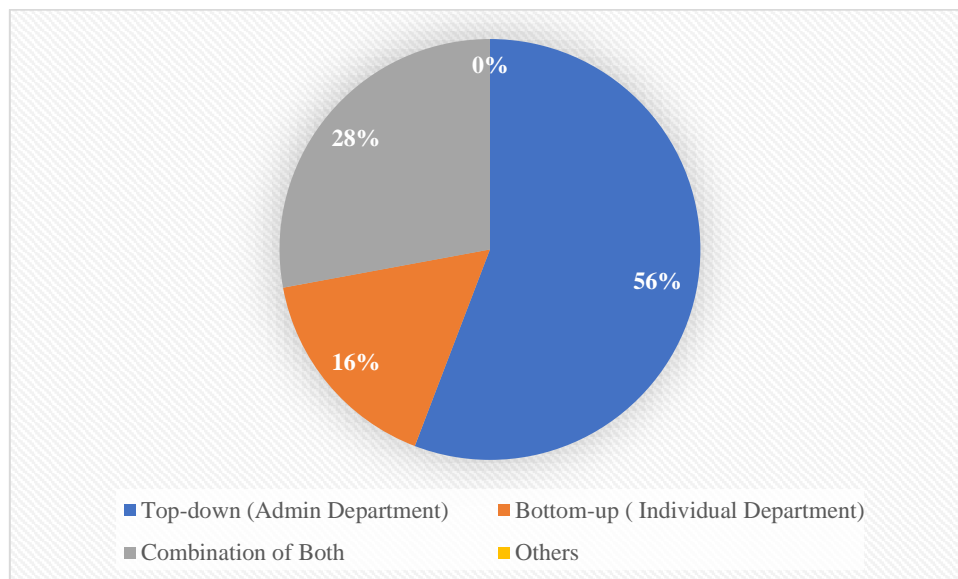


Figure 12: Steps for annual Budget

Majority of colleges prepare budget from top level to bottom level. Secondly, they prepare budget based on combined method, remaining 28 colleges prepare budget concentrating on departments.

What major areas are included in your college's annual budget?

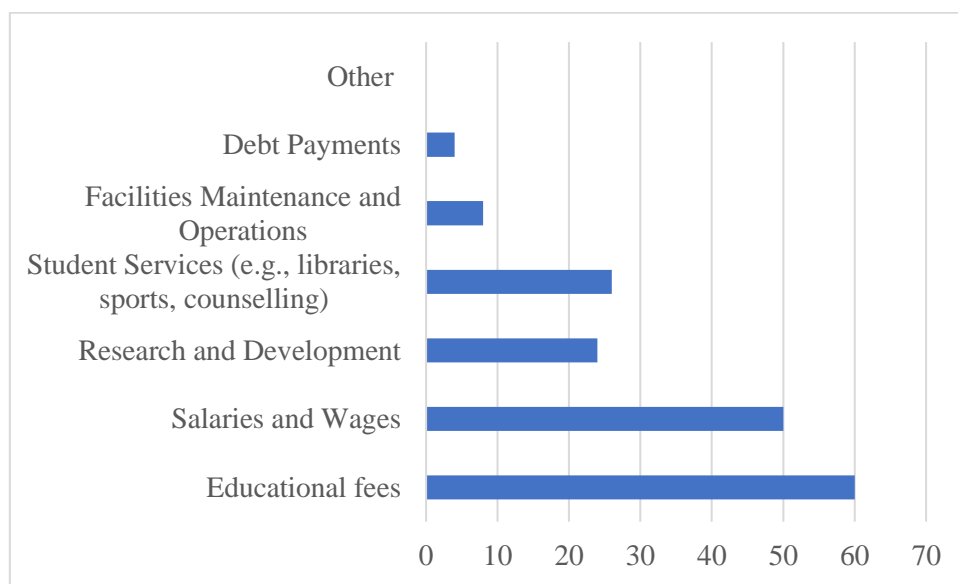


Figure 13: Areas are included in your college's annual budget

College annual budget is cluster of pre-determined revenue and expenditure in current research it is sub-divide in 7 phases. 60 colleges feels that they manage budget from educational fees, 50 colleges shows that they allocate budget majority I salaries and wages, 24 colleges focus on research and development so their major part of budget invest in it, 26 colleges feels that student facilities such as library, sports and counselling activities is key area to focus and investment it will increase income, 8 colleges are facilities oriented colleges they try to serve more facilities to students, 4 colleges says that they invest money mostly in debt payments.

In your college are you making provision of contingency fund to face unexpected financial challenges?

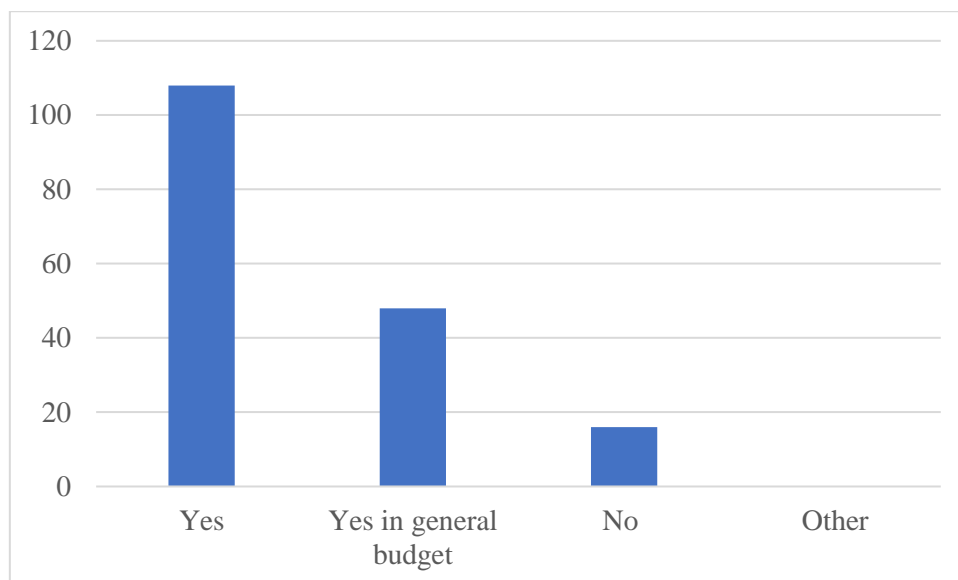


Figure 14: Contingency Reserve

No college expect contingency but it does not inform you when it unexpected condition arise. Based on that 108 colleges maintain contingency fund, 48 manage such fund in general budget and 16 colleges do not focus on it.

If the financial budget of your college match with your performance how you can measure it?

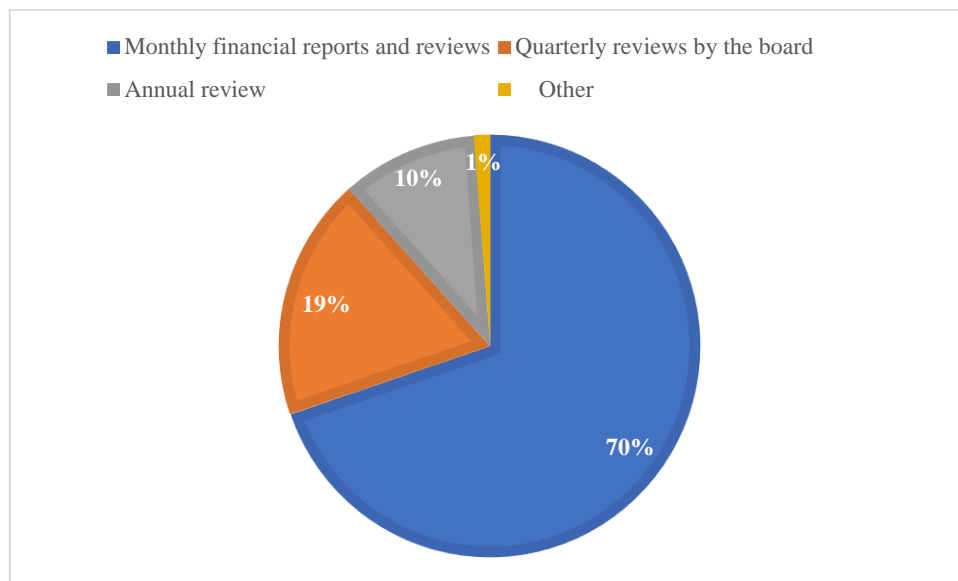


Figure 15: Budget v/s performance measurement

120 colleges feel that their budget ant performance runs to gather at every month, 32 colleges verify such balance at quarterly, 18 colleges feel that at the end of every year budget match with performance, while only 2 colleges feel that performance may get over and under the budget.

Compliance and Regulatory Reporting

In your college do you follow any specific local, state, or national regulations regarding financial accounting and reporting?

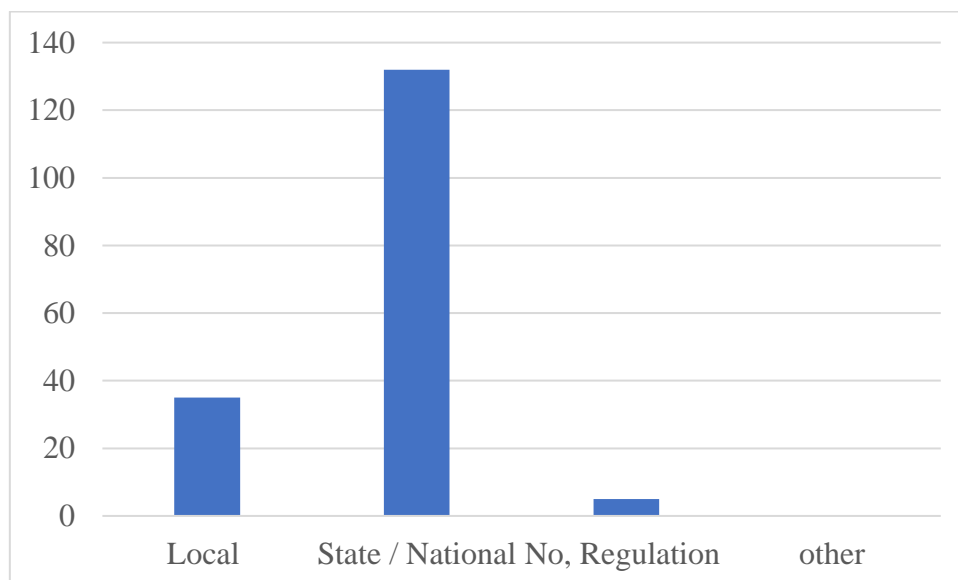


Figure 16: Regulation for Financial accounting

Financial accounting and reporting must have to use specific regulation to be more reliable above chart shows that 132 colleges follow state or national regulations for financial accounting and reporting, while 35 colleges depend on local services, 5 institutes do not use any regulations for maintaining financial accounting and reporting.

Which government funding or grants does your college receive?

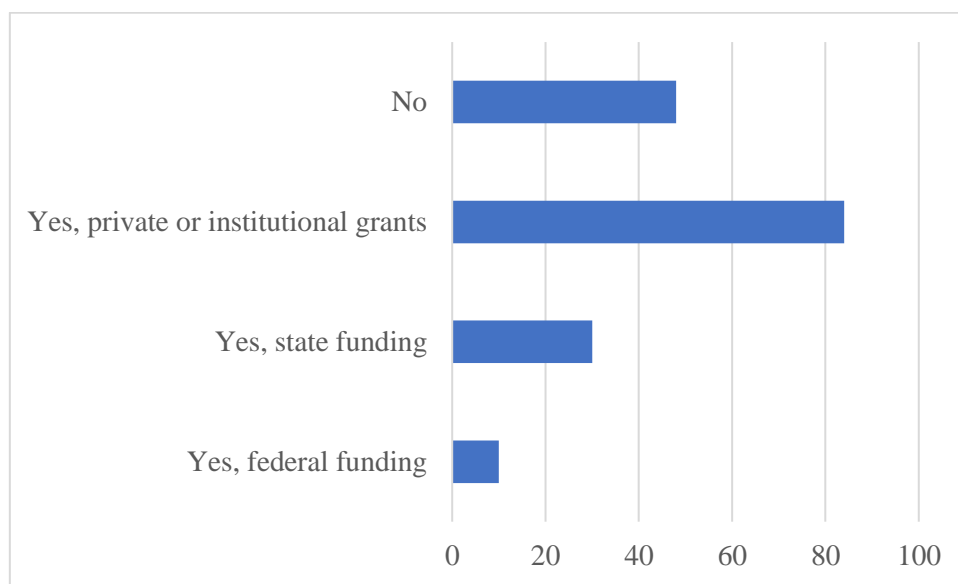


Figure 17: Grants and financial support

As per the figures given in above chart out of total 172 colleges 84 colleges get funds from private institutions, 48 institutes says that they are not getting funds form any where, 30 institutes get funds from state fundings while 10 colleges get fund from federal fundings.

Is there any organization to whom you are bound to submit your financial reports? (government body, University)

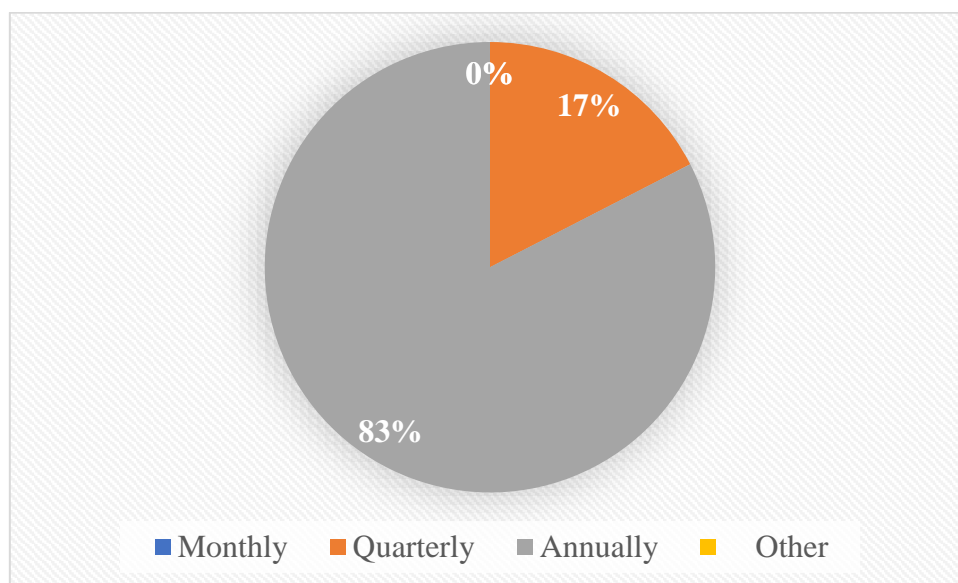


Figure 18: Report Submission to any body

From total 172 colleges 142 colleges make reporting to either government body and university it is 82% of total responses, rest 17% it means 30 colleges submit such reports quarterly.

Is your college call external auditor for verification of transparency and accuracy of financial reports prepared by your college?

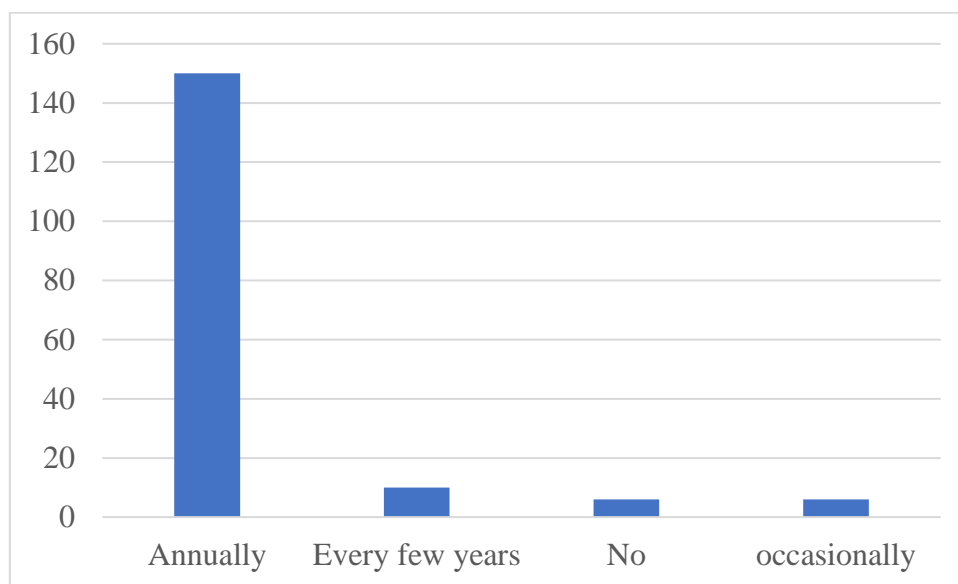


Figure 19: External Audit verification

Accounting need accuracy for decision making. Sometime accountant fails to do work with 100% accuracy so, it is needed to verify dual verification in recorded accounts. Majority colleges verify such accounts with help of outside agencies. Same way above chart clears the picture that 150 colleges use dual verification concept in auditing work, only 10 colleges do it after few years and 6 colleges feels it on specific occasion. On other hand 6 colleges believe that there is no need to re-check financial accounts prepared by their own accountants as per researcher point of view it may be for security perspective.

What are the challenges do you face while you are preparing financial accounting and reporting?

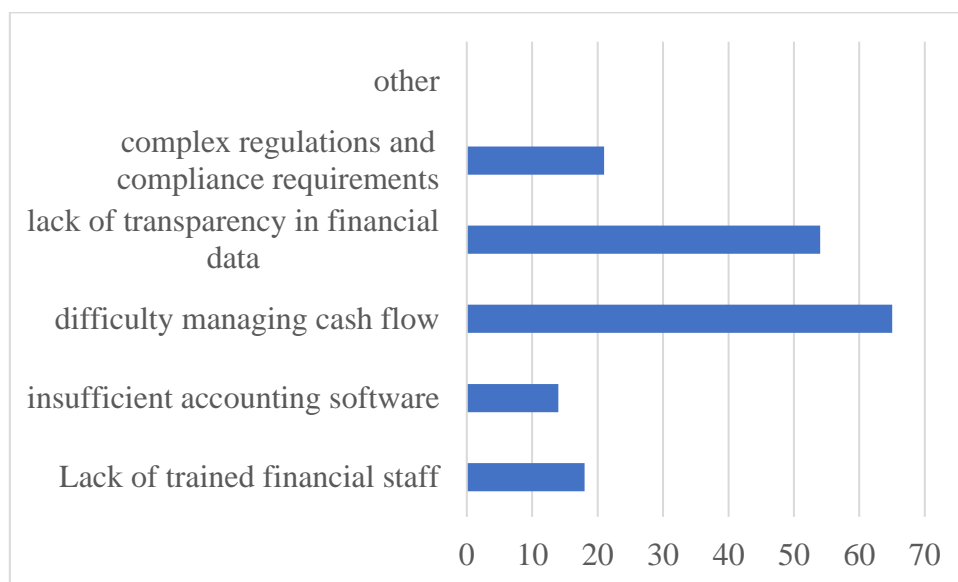


Figure 20: Challenges in Financial reporting

In recent time we try to minimize complexity in financial accounting and its reporting but still some of the factors responsible which create challenges in it. Above chart signifies that in private colleges 18 colleges do not have trained staff who can do accounting activity as per the requirement of management.

How will you solve financial reporting challenges?

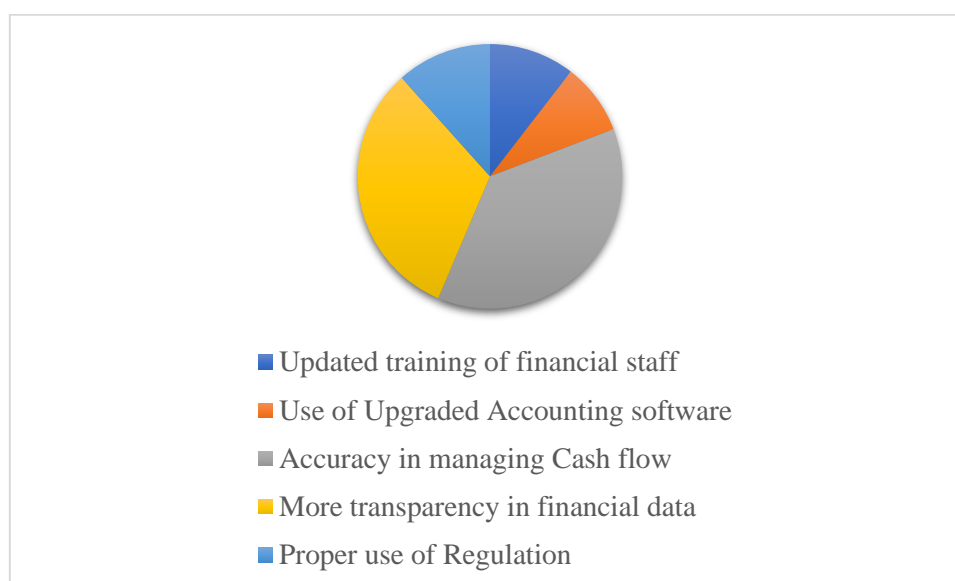


Figure 21: Solution of Financial reporting challenges

As we have discussed financial reporting has many challenges but it is need to resolve such challenges. By studying above chart it is clear that training is best solution for financial staff to make errorless financial accounting 18 colleges says that it is needed, At current time computer is basic need for effective administration by the change in generation upgradation in software is also necessary 15 colleges make upgradation in software time to time to overcome such challenges, accuracy is basic principle of financial reporting because all institutes take important decisions based on accurate financial reports. By taking more care related to accuracy in cash flow we accounting work become more reliable. Out of total 172 colleges 64 colleges feels that they will improve accuracy in cash flow. Some of institute are trying to make tax evasion so they hide the transparency in financial data but for resolving challenges 55 colleges signifies that they will follows transparent rules. 20 colleges will manage accounts based on regulations for getting proper solution related to challenges in financial records.

CONCLUSION

"Knowledge lies in the answer to the question." This statement of Aristotle leads the researcher to the question, what is achieved at the end of the entire research? Because research is a goal-oriented process. So, the main purpose behind every research is to study the problem in detail and arrive at conclusions about it.

A conclusion is an extract of research on a problem. In the present chapter the researcher has presented the research summary. Interpretations are then made for each of the null hypotheses. From these interpretations the conclusions of the study are drawn. In addition, based on the review of the obtained results, the results and implications of the research are presented and at the end of the chapter, recommendations for future research are presented based on the review of the results.

The main objective of the present study was defining financial management of private colleges in Bhavnagar Gujarat. To identify impact on resource allocation. Compliance with Regulations and Taxation Policies. Improvement in Operational Efficiency and Institutional Reputation. Researcher had approached to affiliated colleges of MKBU.

Through the present study it was known that financial transparency is key segment to every business without its real picture no one can take right decision for taking advantage of several developmental and innovative opportunities to beat your competitor.

In Bhavnagar, Gujarat, private colleges must recognize the importance of financial accounting and reporting not only to cope with regulations but also to ensure reliable data and operational efficiency, make balance in transparency, and take right decisions at right time. With proper financial practices, these colleges can prove long-term sustainability and contribute positively to the educational society.

IMPLICATIONS

The findings of this study hold significant implications for both private colleges in Bhavnagar, Gujarat, and the broader education sector. First, the research underscores the crucial role of financial accounting and reporting in ensuring operational transparency, efficient resource management, and long-term sustainability for private educational institutions. By providing insights into how accurate financial reporting directly influences decision-making, budgeting, and investment strategies, this study contributes to a better understanding of the financial mechanisms that drive educational institutions.

The study's findings emphasize that private colleges that maintain strong financial accounting practices are better equipped to handle challenges such as fluctuating student enrollments, infrastructure demands, and compliance with government regulations. The transparency and accountability fostered by regular financial reporting enable these institutions to build trust with stakeholders, including students, parents, investors, and regulatory bodies. This trust is essential for attracting financial support, securing grants, and ensuring continued growth and development.

Moreover, the study highlights the need for continuous professional development for financial staff within these institutions. The challenges identified in the research, such as outdated accounting systems and lack of proper training, indicate that improvements in these areas can enhance the overall financial health of colleges. Therefore, the implications of this study advocate for the adoption of modern accounting technologies and practices to streamline financial operations and improve the overall performance of private colleges.

In addition, the study provides valuable recommendations for policy makers, urging them to strengthen the financial management frameworks for private educational institutions in Gujarat. Enhanced regulatory frameworks, coupled with financial literacy programs for administrators and trustees, can significantly improve the financial practices in these institutions.

LIMITATIONS

The present study was limited only to affiliated colleges of MKBU of Bhavnagar district among 34 districts of Gujarat state and to examine the effect of financial accounting and reporting, educational qualification, work area, professional experience, and type of college among the many factors are affecting. The researcher owns the statements on impact of financial accounting and its reporting for the present study Based on individual mentality towards their reply of questionnaire and included components developed by experts, this will be a limitation of the present study.

FUTURE DIRECTION

Future research could explore the impact of emerging financial technologies, such as **blockchain** and **artificial intelligence (AI)**, on the financial management and reporting systems of private educational institutions. As the landscape of financial accounting evolves, it is crucial to understand how these technologies can enhance the accuracy, security, and efficiency of financial reporting in educational settings.

Additionally, further studies could focus on the long-term impact of **financial sustainability** on the quality of education provided by private institutions. Exploring the correlation between financial health and academic outcomes would provide a comprehensive understanding of how financial management contributes not only to the operational success of institutions but also to the educational experiences of students.

The field of research should investigate how effectively different regions in India employ their financial accounting and reporting practices. A study that compares different regions in India would reveal important information regarding organizational financial practices while identifying model approaches that could enhance financial disclosures in all private colleges throughout India.

Research on the function of financial audits should investigate their power to enhance transparency and accountability in private educational institutions as a potential subject for future investigation. Knowledge about audit procedures affecting financial decisions and institutional trust levels would enable better guidelines and regulations for fiscal resource management in these institutions.

Studies should evaluate how financial literacy education programs affect students and personnel at private educational institutions. Institutional financial health can improve through student education in financial management principles which will give students essential skills needed for personal and professional development and maintain responsible financial actions.

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