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A STUDY ON INVENTORY MANAGEMENT AND BUDGET CONTROL SYSTEM IN BESTEN PUMPS AT COIMBATORE

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Abstract

Inventory Management is the integrated functioning of an organization dealing with supply of materials and allied activities in order to achieve the minimum co-ordination and optimum expenditure on materials. Inventory control is the most important function of inventory management and it forms nerve centre in any inventory management organization. An inventory management system is an essential element in an organization. It is comprised of series of processes, which provide an assessment of the organization's inventory. Since the inventory turnover ratio shows the increasing trend, there will be more demand for the products in the future periods. If they could properly implement and follow the norms and techniques of inventory management, they can enhance the profit with minimum cost.

Keywords: *Inventory, Management, Assessment, Organization.*

INTRODUCTION

“Investment analysis is the study of financial securities for the purpose of successful investing. “An investment is the purchase of goods that are not consumed today but are used in the future to create wealth”. “An investment is a commitment of funds made in the expectation of some positive rate of return”. Example – equity shares, preference share and debentures etc.

INVESTMENT DECISION PROCESS

Investment management process is the process of managing money or funds. The investment management process describes how an investor should go about making decisions. Investment management process can be disclosed by five-step procedure, which includes following stages:

- Setting of investment policy
- Analysis and evaluation of investment vehicles
- Formation of diversified investment portfolio
- Portfolio revision
- Measurement and evaluation of portfolio performance

OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVES:

A study on Inventory management towards Best Engineers Pumps Pvt Ltd

SECONDARY OBJECTIVES:

- To study the tools and techniques of inventory management adopted to study the inventory control measures in inventory management.
- To Study the demand forecast of inventory Management.
- To study how various Analysis and aging schedule is implemented in inventory Management

- To determine the stock level in inventory management.
- To identify problems related to inventory management and to find out suitable measures to overcome.
- To study methods of valuation of inventory.

NEED OF THE STUDY

Inventory is one of the most crucial aspects of any business model. A close tab on the movement of inventory can make or break your business and that's why entrepreneurs always emphasis on effective inventory management. While a few business owners do understand the significance and crucially of tracking inventory on a regular basis, some fail to realize its importance making their business fall through the unseen cracks. This project study is attempted to analysis inventory management of Best Engineers Pumps Pvt Ltd, Coimbatore. It focuses on the analysis of inventory management and control procedures.

SCOPE OF THE STUDY

The study helps the management to improve its profitability through a reduction in non-moving inventory. It develops the policies for both continuous review of inventory management system. The study helps to show the level of the inventory in the Inventory management towards Besten pumps. The company will make the proper inventory methods from the suggestions of the study.

LIMITATIONS OF THE STUDY

- As the work in descriptive in manner conclusion and observation are general in nature.
- As in any case time is limited to collect & analyze data, the study is limited for a period of 5 years only.
- Some of the information were kept confidential
- The secondary data sources does not enough for my research study due to period constrain
- Due to time constrain only few areas are covered.

REVIEW OF LITERATURE

Vazifehdoost, Vaezi&Tavanazadeh, 2020) It refers to selling services and products of a country to other countries in exchange for receiving products, services, currency, gold, settlement of debts or in order to do a non-return contribution, repairmen, completion or participation in fairs. The present era is full of unpredictable transformations and companies are confronted with the harshest competitive conditions due to factors like unclear borders of markets, fragmentation of markets, short products lifecycles, and rapid changes in customers' purchase desires and awareness of customers

Nahavandiyani, 2021) Export is divided into two categories: a) visible export (product): it includes raw materials, products, machinery and other products which are exported abroad physically. b) Invisible export: it includes services like insurance, banking, transportation, payment of interest, EPS, tourism and services provided by citizens abroad

Heidarzadeh et al, 2022) Risk is one of the main factors in making decisions regarding investment, financial markets and different types of economic activities. In most economic books, main production inputs are work, land and capital. However, these three factors are actually necessary factors for production but the adequate condition in production process is nothing but risk factor. In other words, if the three factors are there but the producer does not accept the possible needs of this process, the production process will never start. Therefore, risk factor is considered as the fourth factor in production process. For decades, a company's value was measured based on its equipment, properties, tangible assets and factories. However, it is now believed that the real value of a company is somewhere in potential consumers' minds. Therefore, investments are accompanied by hard conditions and risks and they must be analyzed before investment.

RESEARCH METHODOLOGY

Methodology is a way to systematically solving the research problems by applying the various techniques along with the logic behind the problem. According to the John Best research is define as "A systematic analysis regarding at controlled observation that may lead to generalization and principles of theories resulting in product as control of many events that of consequence".

RESEARCH DESIGN

It is the design of study connected with technique for collection of data and analysis of data in a manner that aims to have relevance purpose.

TYPES OF RESEARCH

Descriptive research

Descriptive research designs include surveys and fact-finding enquiries of different kinds. It deals with the state of affairs and is an exposit-facto research.

METHOD OF DATA COLLECTION

Data collection through the questionnaire is quite popular. Pilot study has been conducted to find the effectiveness of the questionnaire. Then, the questionnaire has been revised. It is well designed and structured in order to enable collection of appropriate data. Revised questionnaire consists of closed ended, multiple choice, dichotomous/multiple rating scale questions.

SOURCE OF DATA

Secondary Data: Data regarding company profile and product profile are collected from company records.

SUGGESTIONS

- The main points of passive portfolio management: holding securities in the portfolio for the relatively long periods with small and infrequent changes; investors act as if the security markets are relatively efficient; passive investors do not try outperforming their designated benchmark.
- The main points for the active portfolio management: active investors believe that there are mispriced securities or groups of securities in the market; the active investors do not act as if they believe that security markets are efficient; the active investors use deviant predictions – their forecast of risk and return differ from consensus opinions.
- Strategic asset allocation identifies asset classes and the proportions for those asset classes that would comprise the normal asset allocation. Strategic asset allocation is used to derive long-term asset allocation weights. The fixed-weightings approach in strategic asset allocation is used.
- Tactical asset allocation produces temporary asset allocation weights that occur in response to temporary changes in capital market conditions. The investor's goals and risk- return preferences are assumed to remain unchanged as the asset weights are occasionally revised to help attain the investor's constant goals.

CONCLUSION

Previous analyses related to investment management show that financial markets, especially in highly developed countries, would be impoverished without the participation of investment managers' imbalance would be created both in supply and demand for financial assets and financial instruments with the presence of investment management, investment companies are established that perform fund management activities. participation of investment companies in the financial market is especially evident in terms of investment financial, where investment decisions on the financial market are passed on to professional statement analysis of the position of investment companies shows their dynamic presence lately in developed financial markets (with a large number of special investment funds). Trading in a financial market is done only within the expertise and competitive values because of the high specialization of hedge funds. Earlier research suggests that hedge funds have higher yields with lower risks than investment funds Hedge funds are more flexible in the financial market compared to other funds when considering investment options.

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