REVENUE PLANNING OF CONSTANT BUSINESS GROUP PRIVATE LIMITED

By Jitendra Prasad Shanker Dev Campus Roll No.: 1485/064 T.U. Regd. No.: 7-2-263-137-2004 Symbol No.: 390109/066

> A Thesis Submitted to: Office of the Dean Faculty of Management Tribhuvan University

In the Partial Fulfillment of the Requirement for the Degree of Master of Business Studies (M.B.S.)

> Kathmandu, Nepal December, 2013

RECOMMENDATION

This is to certify that the Thesis

Submitted by:

Jitendra Prasad

Entitled:

REVENUE PLANNING OF CONSTANT BUSINESS GROUP PRIVATE LIMITED

has been prepared as approved by this Department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

Asso.Prof. Prakash Singh Pradhan	Prof. Dr. Kamal Deep Dhakal	Asso.Prof. Prakash Singh Pradhan
(Thesis Supervisor)	(Head of Research Department)	(Campus Chief)

Date:

VIVA-VOCE SHEET

We have conducted the viva-voce of the thesis presented

by

Jitendra Prasad

Entitled:

REVENUE PLANNING OF CONSTANT BUSINESS GROUP PRIVATE LIMITED

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the

Degree of Master's in Business studies (M.B.S.)

Viva-Voce Committee

Head, Research Department

Member (Thesis Supervisor)

Member (External Expert)

.....

Date:

DECLARATION

I, hereby, declare that the work reported in this thesis entitled "**REVENUE PLANNING OF CONSTANT BUSINESS GROUP PRIVATE LIMITED**" submitted to office of the Dean, Faculty of Management, Tribhuvan University, is my original work done for the partial fulfillment of the requirement for the Masters of Business Studies (MBS) under the supervision of Associate Professor Prakash Singh Pradhan, Shanker Dev Campus.

Jitendra Prasad Researcher Shanker Dev Campus

Date:- December, 2013

ACKNOWLEDGEMENTS

This thesis is mainly concern with the analysis of "**REVENUE PLANNING OF CONSTANT BUSINESS GROUP PRIVATE LIMITED.**" During the course of my study, I found myself fortunate enough to receive a good deal to help and inspiration from various persons and institution. So I would like to express my sincere thanks to all of them.

I would like to express my sincere gratitude to my respected supervisor and Campus Chief Associate Professor Prakash Singh Pradhan, Shanker Dev Campus, T.U., for his valuable guidance and supervision to my study. I am equally thankful to Prof. Dr. Kamal Deep Dhakal, Chairperson, Research Committee and all the staffs of Shanker Dev Campus for their support and help during thesis writing.

I am thankful to my all friends and colleagues for their support and help during thesis writing.

Similarly, I would like to express my thanks to all the staffs and teachers of Shanker Dev Campus, for their help and support.

Jitendra Prasad December, 2013

TABLE OF CONTENTS

Recommendation	i
Viva-Voce Sheet	ii
Declaration	iii
Acknowledgements	iv
Table of Contents	v
List of Tables	viii
List of Figures	ix
Acronyms	x

CHAPTER -I: INTRODUCTION

1.1 Background of the Study	Error! Bookmark not defined.
1.2 Statement of the Problem	Error! Bookmark not defined.
1.3 Objectives of the Study	Error! Bookmark not defined.
1.4 Significance of the Study	Error! Bookmark not defined.
1.5 Limitations of the Study	Error! Bookmark not defined.
1.6 Organization of the Study	Error! Bookmark not defined.

CHAPTER -II: REVIEW OF LITERATURE

2.1 Conceptual Framework	Error! Bookmark not defined.
2.1.1 Revenue Planning	Error! Bookmark not defined.
2.1.2 Sales Budget	Error! Bookmark not defined.
2.1.3 Sales Panning vs. Sales Forecasting	Error! Bookmark not defined.
2.1.4 Long-Range Sales Plan or Strategic	Error! Bookmark not defined.
2.1.5 Methods of Projecting Sales	Error! Bookmark not defined.
2.1.6 Production Budget	Error! Bookmark not defined.

13

1

Page No.

2.1.7 Components of Budgets or Plan	Error! Bookmark not defined.
2.1.8 Raw Material and Purchase Budget	Error! Bookmark not defined.
2.1.9 Direct Labor Budget or Plan	Error! Bookmark not defined.
2.1.10 Expenses Budget and Plan	Error! Bookmark not defined.
2.1.11 Manufacturing Expenses Budget	Error! Bookmark not defined.
2.1.12 Selling and Distribution Expenses Budget	Error! Bookmark not defined.
2.1.13 Administrative Expense Budget or Plan	Error! Bookmark not defined.
2.1.14 Capital Expenditure Budget	Error! Bookmark not defined.
2.1.15 Cash Budget	Error! Bookmark not defined.
2.1.16 Credit Policy	Error! Bookmark not defined.
2.1.17 Collection policy	Error! Bookmark not defined.
2.1.18 Profit Planning as a Concept	Error! Bookmark not defined.
2.1.19 Profit	Error! Bookmark not defined.
2.1.20 Planning	Error! Bookmark not defined.
2.1.21 Types of Planning	Error! Bookmark not defined.
2.1.22 Role of Forecasting in Planning	Error! Bookmark not defined.
2.1.23 Forecasting Vs Planning	Error! Bookmark not defined.
2.1.24 Purpose of Profit Planning	Error! Bookmark not defined.
2.1.25 Budgetary Control	Error! Bookmark not defined.
2.1.26 Fundamental Concepts of Profit Planning a	and Control Error! Bookmark
not defined.	
2.1.27 Profit Planning and Control Process	Error! Bookmark not defined.
2.1.28 Advantages and Disadvantages of PPC	Error! Bookmark not defined.
2.1.29 Basic Assumption and Limitations Profit P	Plan Error! Bookmark not
defined.	
2.1.30 Implementation of the Profit Plan	Error! Bookmark not defined.
2.1.31 Performance Reports	Error! Bookmark not defined.

2.2 Review of Previous Research WorkError! Bookmark not defined.2.3 Research GapError! Bookmark not defined.

CHAPTER-III: RESEARCH METHODOLOGY

3.1 Research Design

3.2 Sources of Data

Error! Bookmark not defined. Error! Bookmark not defined.

67

3.3 Data Collection Techniques	Error! Bookmark not defined.
3.4 Population and Sample	Error! Bookmark not defined.
3.5 Tools and Techniques	Error! Bookmark not defined.
3.5.1 Financial and Accounting Tools	Error! Bookmark not defined.
3.5.2 Statistical and Mathematical Tools	Error! Bookmark not defined.

CHAPTER-IV: DATA PRESENTATION AND ANALYSIS

4.1 Sales Revenue Budget	Error! Bookmark not defined.	
4.2 Sales Budget of CBG	Error! Bookmark not defined.	
4.3 Sales Trends of CBG	Error! Bookmark not defined.	
4.4 Times Series	Error! Bookmark not defined.	
4.4.1 Sales Budget and Profitability	Error! Bookmark not defined.	
4.5 Profit /Loss of CBG	Error! Bookmark not defined.	
4.5.1 Profit & Loss of CBG for the FY 2006/07 to 2011/12 Error! Bookmark not		
defined.		
4.6 Overhead Budget	Error! Bookmark not defined.	
4.6.1 Relationship between Sales & Overhead	Error! Bookmark not defined.	
4.7 CBG Cost Plan	Error! Bookmark not defined.	
4.8 Variable Cost of CBG	Error! Bookmark not defined.	
4.9 Fixed Cost of CBG	Error! Bookmark not defined.	
4.10 Cost Volume Profit Analysis of CBG	Error! Bookmark not defined.	
4.11 Contribution Margin Ratio, BEP, MOS	Error! Bookmark not defined.	
4.12 Analysis of Account Receivable	Error! Bookmark not defined.	
4.13 Major Findings of the Study	Error! Bookmark not defined.	

CHAPTER-V: SUMMARY, CONCLUSION & RECOMMENDATION

5.1 Summary	Error! Bookmark not defined.
5.2 Conclusion	Error! Bookmark not defined.
5.3 Recommendations	Error! Bookmark not defined.

BIBLIOGRAPHY

Error! Bookmark not defined.

72

92

APPENDICES

LIST OF TABLES

Page No.

Table 4.1:	Budgeted and Actual Sales of CBG for the	Period of FY 2006/07 to
	2011/12	Error! Bookmark not defined.
Table 4.2:	Calculation of Mean, Standard Deviation a	nd C.V. and Probable Error of
	Budgeted Sales & Actual sales	Error! Bookmark not defined.
Table 4.3:	Presentation of Mean & S.D.	Error! Bookmark not defined.
Table 4.4:	Fitting Straight Line by Least Square	Error! Bookmark not defined.
Table 4.5:	Calculation of Mean, Standard Deviation,	C.V, Probable Error of Actual
	Sales and Profit	Error! Bookmark not defined.
Table 4.6:	Comparison of Mean and Standard Deviati	on of Actual Sale and Profit
		Error! Bookmark not defined.
Table 4.7:	CBG P/L a/c for the FY 2006/07 to 2011/1	2 Error! Bookmark not
	defined.	
Table 4.8:	Actual Overhead budget of CBG from FY	2006/07 to 2011/12 Error!
	Bookmark not defined.	
Table 4.9:	Relationship between Actual Sales & Over	head for the FY 2006/07 to
	2011/12	Error! Bookmark not defined.
Table 4.10	: Variable Cost of CBG	Error! Bookmark not defined.
Table 4.11	: Fixed Cost Analysis CBG	Error! Bookmark not defined.
Table 4.12	: Income Statement of CBG for the year	Error! Bookmark not defined.
Table 4.13	: Computation of Various Ratios of CBG A	analysis Error! Bookmark not
	defined.	
Table 4.14	: Account Receivable, Sales Revenue, Coll	ection Period and Debtors
	Turnover	Error! Bookmark not defined.

LIST OF FIGURES

Page No.

Figure 4.1: Budgeted & Actual Sales Revenue of CBG from FY 2006/07 to 2011/12 Error! Bookmark not defined.

Figure 4.2: Constant Business Group. Pvt. Ltd. P/L from FY 2006/07 to 2011/12

Error! Bookmark not defined.

Figure 4.3: Actual Over Head Budget of CBG from FY 2006/07 to 2011/12 Error! Bookmark not defined.

Figure 4.4: Relationship between Actual Sales & Overhead for the FY 2006/07 to 2011/12 Error! Bookmark not defined.

ACRONYMS

BEP	-	Break Even Point	
CBG	-	Constant Business Group	
СМ	-	Contribution Margin	
CMPU	-	Contribution Margin per unit	
СО	-	Company	
CV	-	Covariance	
CVP	-	Cost Volume Profit	
DNPL -	Dabur	ur Nepal Private Limited	
FC	-	Fixed Cost	
GM	-	General Manager	
GNP	-	Gross National Product	
HPPC	-	Hindering Profit Planning Control	
HRMS	-	Human Resource Management System	
KMMS -	Kathm	nandu Milk Supply Scheme	
MOS	-	Margin of Safety	
NCC	-	Nepal Chamber of Commerce	
NEA -	Nepa	epal Electricity Authority	
NEBICO	-	Nepal Biscuits and Confectionary Pvt. Ltd	
NG	-	Nepal Government	
NPAT	-	Net Profit after Tax	
NTC	-	Nepal Telecom	
O/H	-	Over Head	
P/L	-	Profit and loss	

PEs	-	Private Enterprises
PF	-	Provident Fund
PPC	-	Profit Planning & Control
PV	-	Profit Volume
PV	-	Profit Volume
ROI	-	Return on Investment
SD	-	Standard Deviation