

A STUDY ON PREPARATION OF PRODUCTION
BUDGET IN WARIS DESIGNS'
WORKSHOP SDN. BHD.

A PROJECT PAPER SUBMITTED TO THE
MARA INSTITUTE OF TECHNOLOGY
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR
THE ADVANCED DIPLOMA IN ACCOUNTANCY

BY

MAIZATUL HASNINA BT HASHIM

90652554

15th, April 1993

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude and appreciation to Encik Ismail bin Ahmad and Encik Ismail bin Mohamed Ali, both from Waris Designs' Workshop Sdn. Bhd. for their cooperation and information that they had given to me; not forgetting to Encik Azman Hashim for his valuable assistance.

My sincere appreciation to my adviser and to all my lecturers for their boundless energy and patience in guiding me through.

ABSTRACT

This study was prepared with the intention of highlighting of the preparation of production budget in a small organization.

It examines the budgeting process of one selected company, namely the Waris Designs' Workshop Sdn. Bhd. with the objective to study of how the company's management prepare the production budget together with the steps taken, limitation and participation during the budget preparation. It is also to find out, how the management use this budget system to motivate their employees and to find out the problems faced by the operating department when using budget as a guideline in the operations.

Interviews and discussion were conducted with the Managing Director who is also act as a Production Manager and the Account Executive in Waris Design, in order to gather necessary information. Information from the interviews and discussion showed that the budgeting system do have a significant effect on the organization.

From those information gathered from interviews and discussion it shows that budget implication on the organization had resulted in better planning and controlling the organization operation. Budget was found to be very important to the organization corporate strategies and objectives.

TABLE OF CONTENTS

	Pages
Title Page	
Acknowledgement.....	i
Abstract.....	ii
Chapter 1	
Introduction.....	1
Background of Study.....	7
The Background of The Company-Waris Designs' Workshop Sdn. Bhd.....	8
Objectives of Study.....	11
Methodology.....	13
Scope and Limitation.....	13
Chapter 2	
Literature Review.....	15
Chapter 3	
Data Collection.....	25
Chapter 4	
Data Analysis	
General Data.....	29
Does your company have your own budget team?.....	30
Do you think, preparing the budget is important?.....	31
What are the stages in setting the budget?.....	32
When will your company prepare the production budget.....	33