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PROCESS OF FIXED ASSETS MANAGEMENT IN BUSINESS PERSPECTIVE

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Abstract

The Fixed Assets Management is the classical Financial Statement of a business. Fixed assets are achieved for use in the business for gaining revenues so they are shown at their book values and at their current negotiable values. But when the business unit is not a going concern and is to be liquidated, current realizable value of fixed assets become relevant. A fundamental concept of accounting, is related to the may concern concept, is cost concept of accounting. According to this concept, a fixed asset is recorded in the books at the price paid to acquire it and that this cost is the basis for all subsequent accounting for the asset. This concept does not mean that the fixed asset will always be shown at cost but it means that cost becomes basis for all future fixed assets are acquired. But when the business unit is not a going concern and is to be liquidated, current realizable value of fixed assets become relevant. According to this concept, a fixed asset is recorded in the books at the price paid to acquire it and that this cost is the basis for all subsequent accounting for the asset. This concept does not mean that the fixed asset will always be shown at cost but it means that cost becomes basis for all future Asset is recorded at cost at the time of its buying but is consistently reduced in its value by charging depreciation.

INTRODUCTION

Finance may be defined as the provision of money at the time where, it is required. Finance refers to the management of flews of money through an organization it concerns with the application of skills in the manipulation, use and control of money.

Different authorities have interpreted the term 'finance differently. However there are three main approaches to finance.

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Fixed asset management enables organizations to monitor equipment and vehicles, assess their condition, and keep them in good working order. In this way, they minimize lost inventory, equipment failures and downtime and improve an asset's lifetime value. Fixed asset management can be complex, especially for global enterprises or companies with large inventories — like a car rental business or manufacturing multinational.
Small organizations may use spreadsheets or enterprise resource planning (ERP) tools for asset tracking. However, manual data entry is prone to error. It can also be a slow method for staying on top of fixed asset inventory, when fleets of vehicles are moved between locations or the technology is complex.

OBJECTIVES OF THE STUDY

1. To considered evaluate fixed assets performance.
2. To evaluate the fixed assets turnover.
3. The study is evaluate is giving adequate returns to the company.
4. To know the amount of finance made by long-term liabilities and owner funds towards fixed assets

LITERATURE REVIEW

Finally, the Organization of Economic Cooperation and Development (OECD) emphasizes the service to the public, which is the end customer of the road agencies and administrations:

[Asset Management is] a systematic process of maintaining, upgrading and operating assets, combining engineering principles with sound business practice and economic rationale, and providing tools to facilitate a more organized and flexible approach to making the decisions necessary to achieve the public's expectations. (OECD 2000)

The genesis of the movement toward Asset Management in the United States has been an understanding of the need for it. Highway agencies in the United States have moved their primary focus many times during the last 50 years. There was a shift from expansion to preservation from the 1960s to the mid1980s, then the focus changed to reinventing government from the mid1980s to the beginning of the new century. From that point of time until now, the focus has been on employing sound business practices. This new focus has many implications, including embracing quality, emphasizing the need to

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address strategic rather than tactical issues, integrating economics and engineering, and taking advantage of the progress made in information technology (AASHTO 1999).

The reasons for this new approach to infrastructure management are many and include limited funds leading to scarce budgets, technological advancements, lack of expert personnel, and public demand for better quality of service and accountability from the people in charge (AASHTO 1999). Taking into account that the estimated value of U.S. transportation infrastructure sums up to more than $1 trillion (estimated by the FHWA in 1999), the need to effectively and efficiently manage this infrastructure with the best and most cost-effective approach has become paramount.

S.B. Gupta A bank is an institution that accepts deposits of money from the public withdrawals by cheque and used for lending. Thus, there are two essential functions which make a financial institution a bank: The literature review included asset management concepts, current asset management practices and philosophies of other state departments of transportation (DOTs) and the FHWA, and research efforts focused on right-of-way acquisition. The purpose of this review was to ensure that TxDOT and the research team will benefit from state-of-the-art concepts and practices for asset management. ASSET MANAGEMENT CONCEPTS 1 Asset management is an emerging effort to integrate finance, planning, engineering, personnel, and information management to assist agencies in managing assets cost-effectively

(AASHTO 1997). In its broadest sense, asset management is defined as "a systematic process of maintaining, upgrading, and operating assets, combining engineering principles with sound business practice and economic rationale, and providing tools to facilitate a more organized and flexible approach to making the decisions necessary to achieve the public's expectations" (OECD 2001).

The main objective of asset management is to improve decision-making processes for allocating funds among an agency's assets so that the best return on investment is obtained. To achieve this objective, asset management embraces all of the processes, tools, and data required to manage assets effectively (Nemmers 2004). For this reason asset management is also defined as "a process of resource allocation and utilization" (AASHTO 2002). The framework needed to carry out this process effectively

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encompasses an agency's policy goals and objectives, performance measurements, planning and programming, program delivery, and system monitoring and performance results

Prof. Marshall mentioned about the activities of money changers in the temple of Olympia and other sacred places in Greece, around 2000 B.C.

CONCLUSION

The fixed assets turnover of the firm is good throughout the study and the best efficient performance of the firm was in 2010.

1 The company is earning respectful returns on the investment made on fixed assets, the return on fixed assets are satisfactory in 2010 and 2012 but due to the loss incurred by the firm, the firm had negative return which is not good indicator.

2 The company's fixed assets does not value the amount to pay off owner's funds and longterm obligations, as fixed assets ratio is not even equal to 1 throughout the study.

3 The fixed assets turnover of the firm is good throughout the study and the best efficient performance of the firm was in 2010.

4 The company's fixed assets does not value the amount to pay off owner's funds and longterm obligations, as fixed assets ratio is not even equal to 1 throughout the study.

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