

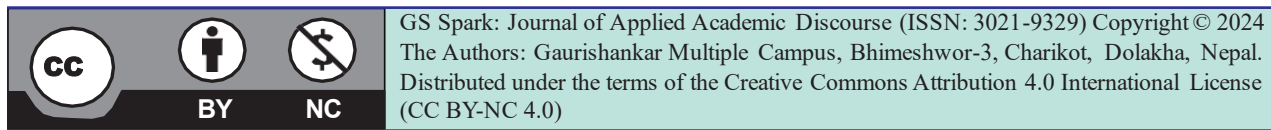


Financial Trend Analysis of Gaurishankar Multiple Campus

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ABSTRACT

The study presents a financial trend analysis of Gaurishankar Multiple Campus (GSMC) Charikot, Dolakha, focusing on income and expenditure patterns, and per-student investment costs over the four years period. Using a descriptive research design, the study analyzes financial statements and related data over the period of four years as a result, it carries out relevant findings regarding the campus's financial condition. The research indicates significant trends in income and expenditure patterns, emphasizing both areas of financial efficiency and prioritizing its further improvement. The findings show that, needs to be included the particular aspects found through research of the campus's financial management are strong, it is to be mentioned the areas that need thoughtful attention to improve financial performance. The financial analysis of GSMC presents recurring losses because routine expenses consistently exceed student fee income. Despite increased fee income, campus administration is struggling to meet regular costs due to quicker expense increases.

GSMC's focus on alternate revenue streams reflects its efforts to maintain financial stability. Increased enrollment improves cost-efficiency while raising concerns about educational quality. Investments in teaching excellence, including increased teacher salary, underscore GSMC's dedication to academic standards. To maintain sustainability, the campus must improve financial management, explore new revenue streams, and reduce operational expenditures. Comprehensive studies are required to ensure long-term financial stability and educational advancement.

Keywords: financial, management, GSMC, income, expenditure

Introduction

Financial trend analysis is a key tool in finance for evaluating an institution's financial health and performance over an extended period. It involves analyzing various financial accounts, including income statements, balance sheets, and cash flow statements, to detect patterns, trends, and variations. This research often spans several years, providing a focused picture of an institution's financial history.

Financial trend analysis in educational institutions is essential for evaluating stability, efficiency, and sustainability, assisting in strategic decision-making and improving financial management practices (Ram et al., 2024). The study examines financial trends in higher education institutions, focusing on the adjustment to market mechanisms and result-oriented budgeting to improve education quality and financial outcomes (Momotova et al., 2019). According to Brealey, Myers, and Allen's *Principles of Corporate Finance* (2020), trend analysis is crucial for financial managers to interpret past performance and forecast future conditions by identifying consistent patterns and deviations in income and expenses. This strategy is vital for creating financial strategies, controlling budgets, and

ensuring financial sustainability. Similarly, Brigham & Houston (2019) describe financial analysis as a complete assessment of an organization's financial health, involving the examination of financial statements such as balance sheets, income statements, and cash flow statements. Dahal (2021) highlights that financial auditing ensures financial discipline, transparency, and accountability, while social and performance audits are also necessary for entire transparency and aid effectiveness.

Analyzing any institution's financial trends is essential to their long-term growth and sustainability. According to research, financial management challenges in educational institutions, such as financial risk assessment and the impact of rising expenditures on accessibility, have a key role in their continued growth (Liu, 2023; Fischer et al., 2015). Colleges face many challenges, including rising tuition rates and a trend toward students having a greater financial burden, which has an impact on accessibility and financial stability (Fischer et al., 2015). Additionally, the financial struggles of small, private, non-profit colleges have been documented, highlighting the importance of understanding key indicators like revenue sources, scholarships, staff percentages, and operating margins to classify institutions into different risk categories for effective organizations model design (Fischer et al., 2015; Hatfield, 2016). By conducting in-depth financial trend assessments, institutions can identify possible hazards, promote financial stability, and ensure long-term success in the ever-changing higher education landscape.

Financial trend analysis also aids in performance evaluation, allowing stakeholders to assess management strategies and operational effectiveness. Furthermore, it helps with risk management by identifying potential financial issues early on, enabling prompt solutions. For stakeholders and investors, this analysis provides transparency and confidence, facilitating informed decisions about their

investments. Additionally, regular financial analysis ensures compliance with financial standards and accountability. This study focuses on the financial patterns of GSMC's past four years. It examines key financial indicators such as current income and expenditure and per-student investment costs. By analyzing these specific areas, this study provides an extensive assessment of GSMC's financial performance and stability, providing as a representative sample for similar educational institutions. The findings of this analysis can be used broadly across the sector, assisting with strategic decision-making and budgetary planning.

The study presents insight that can be applied extensively across the sector that includes analyzing revenue sources, expenditure patterns, and financial stability indicators. By conducting a complete financial analysis of trends, this study intends to give significant insights to stakeholders, allowing them to make informed decisions to improve the institution's financial health. Furthermore, this study could serve as an instance for other educational institutions experiencing financial challenges.

Problem Statement

GSMC has been a cornerstone of education in the region for decades, contributing significantly to the community's development. Despite its extensive past, there has been a noticeable lack of rigorous investigation of GSMC's financial performance. This lack of understanding creates considerable difficulties. Without a comprehensive understanding of previous financial data, the administration suffers with strategic planning, resource allocation, and confidence from stakeholders. To solve this issue, this study will conduct an in-depth financial trend analysis of GSMC during the past four years. By identifying significant financial patterns and contributing factors, this study will provide practical recommendations

to improve the campus's financial health and sustainability, resulting in more informed decision-making and institutional stability.

Research Objective

The main objective of the study is to analyze current income and expenditure trends, evaluate per-student investment costs and give advice for good financial health. Based on these findings, the study aims to make strategic recommendations to maximize income, decrease expenses, and improve GSMC's overall financial stability.

Literature Review

This section reviews the crucial significance of financial health in educational institutions, focusing on how effective financial management techniques affect academic excellence, operational sustainability, and overall institutional performance. Financially strong educational institutions attract and retain top faculty, invest in infrastructure, and improve academic performance. Empirical research suggests that financial health greatly impacts institutional success, with higher education institutions requiring strong finances to boost offers and reputation (Zhang, 2019). Smith (2015) emphasizes that competent financial management results in stable and profitable institutions by enhancing resource allocation, strategic planning, and risk management, allowing them to weather economic downturns and invest in growth prospects. Brown (2018) contends that financial strength is essential for institutional sustainability and growth, proving through case studies that strong finances result in better decision-making and overall management.

Data from the Institutional Financial Database (IFD) suggests a strong association between relevant financial health indicators such as liquidity ratios and debt levels and institutional performance, highlighting the significance of ongoing financial monitoring

(Johnson & Stevens, 2018). According to Brown and Green (2016), non-profits with strong financial management are better able to carry out their missions and continue operations, emphasizing the importance of excellent financial planning, budgeting, and resource management. Fama and Jensen argue that good financial monitoring aligns managers' and stakeholders' interests, hence boosting management efficiency and accountability.

Adams (2017) applies the Resource Dependence Theory to illustrate how financial resources influence non-profit management practices, concluding that financially healthy organizations have greater autonomy, flexibility, and strategic decision-making positions. These institutions are more likely to implement best practices and standards, which improves management and organizational legitimacy (DiMaggio & Powell, 1983). Using data from the Non-Profit Financial Performance Database (NFPD), Patel (2020) investigates the impact of financial management on non-profit sustainability, emphasizing that effective financial management assists organizations in overcoming funding challenges, controlling expenses, and ensuring long-term viability, ultimately benefiting society. Gordon and Lacey (2017) present an in-depth review of the crucial role of financial analysis in higher education management, suggesting that competent financial analysis supports informed decision-making. Their findings emphasize the necessity of adopting strong financial practices into institutional governance frameworks to improve long-term survival and performance. They advise administrators to enhance transparency in finance, accountability, and strategic planning in order to address economic issues and strengthen institutional resilience. Chang (2021) investigates how financial analysis drives long-term growth at public institutions, focusing on approaches such as ratio analysis, trend analysis, and financial

forecasting. The study concludes that competent financial analysis improves operational efficiency, financial sustainability, and overall institutional effectiveness.

The literature emphasizes the importance of financial health and effective management in educational institutions, highlighting their impact on academic excellence, operational sustainability, and long-term growth. Previous studies showed that effective financial management increases resource allocation, decision-making, and institutional resilience. However, the unique issues that community campuses, like GSMC, have in sustaining financial stability remain underexplored.

Existing research focuses mostly on large higher education institutions and non-profit organizations, with little emphasis on smaller, community-based institutions. Furthermore, while previous research has focused on financial indicators and management techniques, there has been insufficient in-depth analysis of how rising costs, increasing student enrollments, and community contributions affect financial sustainability on campuses. This study aims to fill this gap by examining GSMC's unique financial dynamics, with a focus on the balance of cost-efficiency, quality education, and long-term growth. Addressing these gaps provides meaningful lessons for similar community institutions.

Method

This study primarily examines current revenue, expenditures, and per-student investment costs to assess financial management's impact on operational efficiency and sustainability in higher education institutions. A quantitative research approach is used, utilizing secondary data obtained from four years of financial statements. The study uses descriptive research design, employing tables, charts, and graphs to display and analyze the data properly.

Result and Discussion

Income and Expenditure Trends

Trend analysis of income and expenses. An income and expenses study of an institution entails assessing its revenue sources and spending habits in an offer to assess financial health. Tuition payments, government grants, donations and endowments are frequently used as primary funding sources for major maintenance, administrative fees and educational materials. By comparing income and expenses, the study can discover trends, regions of excess or deficit, and changes of financial optimization. Effective analysis supports ongoing financial management, allowing the institution to plan strategically and allocate resources efficiently.

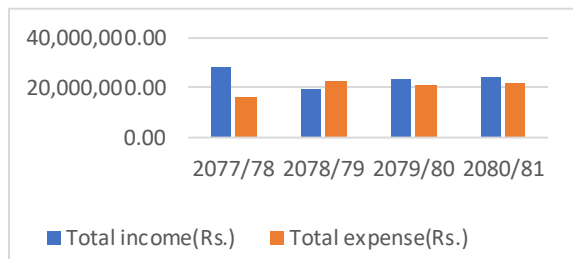


Figure 1: Income and expenses trend of GSMC

Table 1: Income and Expenses trend of GSMC

Fiscal Year	Total income (Rs.)	Total expenses (Rs.)	Net income (Rs.)
2077/78	28,140,598.67	16,568,278.00	11,572,320.67
2078/79	19,652,074.00	22,551,029.00	-2,898,955.00
2079/80	23,331,071.00	21,431,866.00	1,899,205.00
2080/81	23,988,894.00	22,047,290.00	1,941,604.00

Source: Financial statements of GSMC
 Figure 1 and Table 1 depicts the trend of GSMC'Stotal income and expenses over four fiscal years, 2077/78 to 2080/81 B.S. Initially, FY 2077/78 stands out as the most financially successful year, with the highest income. Afterward, FY 2078/79 represented a challenging year, where the campus faced a significant deficit due to higher expenses and

reduced income. Over the subsequent years (FY 2079/80 and 2080/81), GSMC demonstrated a recovery trend, achieving small but positive net income through better alignment of income and expenses. Overall income declines from FY 2077/78 to 2080/81, considering better spending management in later years to avoid major deficits. This tendency shows financial instability, emphasizing the importance of excellent financial management and strategic planning in addressing revenue and cost imbalances.

Student fee income vs. regular expenses

The analysis of student fees and regular college expenses is critical for understanding the financial patterns within educational institutions. Student fee income, which includes tuition, and miscellaneous charges provides a significant revenue stream for institutions. Regular expenses, including salary, wages and benefits, operating costs, academic resources, student services, facility management, and financial assistance, make up the majority of an institution's budget. By comparing these aspects, institutions can learn about their financial sustainability and resource allocation efficiency.

Trend study of these financial components over time can reveal patterns such as increased operational costs or changes in financing sources. Furthermore, comparison against peer institutions might reveal relative efficiency and opportunities for development. Understanding the balance between student fees and expenses is critical for strategic

planning, ensuring student affordability and accessibility, and making informed budget and resource allocation decisions.

$$\text{Surplus/Deficit} = \text{Student's Fee Income} - \text{Regular Expenses}$$

between FY 2077/78 and 2078/79 and thereafter slightly declined. Over the years regular expenses continued to increase and resulting the deficits.

Table 2: Student fee income vs regular expenses of GSMC

Fiscal Year	Student's Fee Income	Regular Expenses	Surplus/Deficit
2077/78	8,430,985.00	13,746,783.72	-5315798.72
2078/79	14,812,270.00	19,429,853.93	-4617583.93
2079/80	14,393,500.00	18,554,288.27	-4160788.27
2080/81	14,064,050.00	19,154,203.90	-5090153.90

Source: Financial statements of GSMC

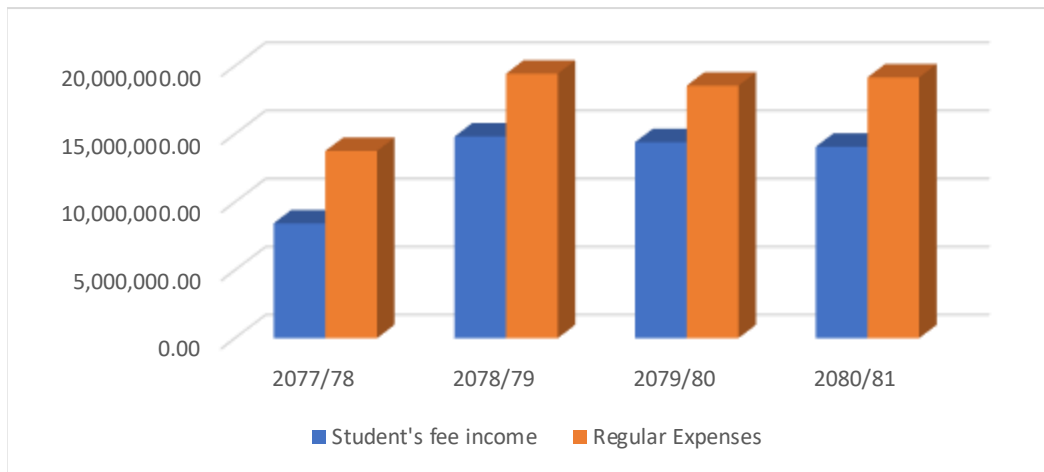


Figure 2: Students fee income vs regular expenses

The *Table 2* and *Figure 2* provide an analysis of student income and regular expenses over a four fiscal year (2077/78 to 2080/81 B.S) of GSMC. The data illustrates a consistent deficit between the two financial indicators, highlighting a gap between income generation from students and the campus's regular expenditures. Throughout the four years, regular expenses exceeded student fee income, resulting in continuous financial deficits. Student fee income shows growth

Trend analysis of per student investment cost

Per Student Total cost. The per-student total cost of a college includes all expenses incurred for each student's education, including tuition, facility cost, salaries and wages payment to teaching staff and student services as well as indirect costs like administrative costs and technological infrastructure. Understanding the per-student total cost assists in assessing the institution's financial efficiency and affordability.

$$\text{Per student total cost} = \frac{\text{Total cost}}{\text{No. of student}}$$

Table 3: Per student investment cost on the basis of total cost of GSMC

Fiscal Year	Total cost (Rs.)	No. of student	Per student total cost (Rs.)
2077/78	16,568,278.00	938	17663.41
2078/79	22,551,029.00	1246	18098.74
2079/80	21,431,866.00	1286	16665.53
2080/81	22,047,290.00	1367	16128.23

Source: Financial statements of GSMC

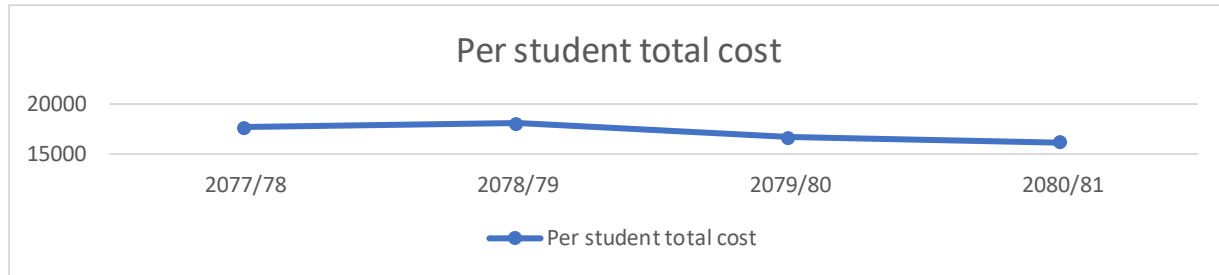


Figure 3: Per student total cost of GSMC

Table 3 and Figure 3 present the per-student investment cost for GSMC over a four fiscal year (2077/78 to 2080/81 B.S). The per-student total cost is calculated by dividing the institution's total cost by the number of students enrolled. The per-student total cost increased from 17,663.41 in FY 2077/78 to a peak of 18,098.74 in FY 2078/79. In subsequent years, the per-student cost declined to 16,665.53 in FY 2079/80 and further to 16,128.23 in 2080/81. The number of students steadily increased from 938 in 2077/78 to 1367 in 2080/81.

This rise in enrollment may have contributed to the reduction in per-student costs, as the total cost is distributed across a larger student base. Regardless of minor

changes, the overall cost remained relatively high, particularly in 2078/78 and 2080/81. The graph visually reflects the trend in per-student investment cost, peaking in 2078/79 and then declining in the following years. This decline reflects the increased efficiency in resource utilization as the student population grew.

Per student regular cost. The regular cost per student of an institution or college covers all continuous expenses associated with providing education and services. This usually includes tuition, instructional materials, salaries and administrative expenses. Calculating this cost helps in understanding the financial requirements to educate each student and aids in budgeting and tuition setting.

$$\text{Per student regular cost} = \frac{\text{Total Regular cost}}{\text{No. of student enrolled}}$$

Figure 4: Per student regular cost of GSMC

Fiscal Year	Regular cost (Rs.)	No. of students	Per student regular cost (Rs.)
2077/78	13,746,783.72	938	14655.42
2078/79	19,429,853.93	1246	15593.78
2079/80	18,554,288.27	1286	14427.91
2080/81	19,154,203.90	1367	14011.85

Source: Financial statements of GSMC

Table 4 and Figure 4 present the per-student regular cost of GSMC highlighting the institution's ability to manage regular expenses throughout four fiscal years (2077/78 to 2080/81 B.S.). In 2077/78, the per-student regular cost was 14,655.42, however increased to a peak of 15,593.78 in 2078/79 due to a considerable increase in regular costs. However, when the number of students increased, the per-student regular cost declined to 14,427.91 in 2079/80, thereafter to 14,011.85 in 2080/81.

This trend suggests that, while regular costs remained relatively high, the continuing rise in student enrollment from 938 in 2077/78 to 1367 in 2080/81 helped allocate expenses more efficiently. Figure 4 depicts this pattern, in which the per-student regular cost climbs initially before gradually declining. This drop demonstrates GSMC's increased financial efficiency in managing regular costs while facilitating a growing student population.

Per student teacher's salary

The per-student teacher's salary at an institution or college represents the average amount of salary expense allocated per student for faculty members. This metric is calculated by dividing the total salary expenses for teachers by the number of students. It helps in understanding the investment in educational quality per student and can aid in budget planning and financial analysis.

Per student teacher's salary =

$$\frac{\text{Teacher's salary}}{\text{No. of student}}$$

No. of student

Table 5: Per student teacher's salary of GSMC

Fiscal Year	Teacher's salary (Rs.)	No. of student	Per teacher salary (Rs.)
2077/78	6178307.93	938	6586.68
2078/79	8929792.60	1246	7166.77
2079/80	10521296.50	1286	8181.41
2080/81	14330475.81	1367	10483.16

Source: Financial statements of GSMC

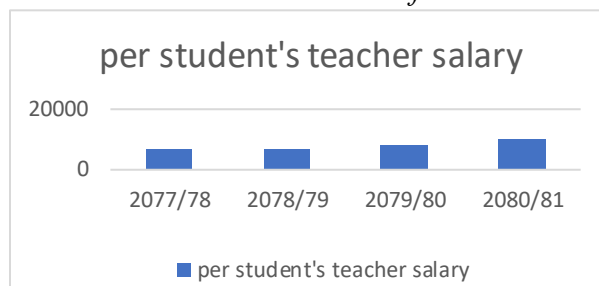


Figure 5: Per student teacher's salary of GSMC

The per-student teacher wage at Gaurishankar Multiple Campus (GSMC) reflects the institution's financial investment in its teaching staff from the perspective of the student population. As indicated in Table 5, the per-student teacher salary increased steadily throughout the four fiscal years, from 6,586.68 in 2077/78 to 10,483.16 in 2080/81. This increase corresponds to a continuous rise in overall teacher pay, which more than doubled from 6,178,307.93 to 14,330,475.81 over the same time period.

While student enrollment went up (from 938 in 2077/78 to 1367 in 2080/81), the per-student teacher remuneration increased more quickly. This trend implies that GSMC has prioritized raising teacher compensation, which could improve educational quality while also maintaining instructional efficiency. Figure 5 depicts this constant upward tendency, emphasizing the institution's dedication to its teaching staff despite rising student enrollment. This trend indicates efforts to raise teacher salaries, perhaps to promote education quality, recruit highly qualified teachers, and maintain a balance between increasing student enrollment and effective teaching. These fluctuations highlight how both the number of students and the total teacher salary impact on the per-student teacher's salary, providing insights into the institution's budgeting and financial priorities for educational quality.

Conclusion

The financial analysis of GSMC through various metrics—student fee income, regular expenses, per-student costs, and teacher's salary provides valuable insights into the institution's financial management and resource allocation over the last four fiscal years. The research reveals that routine expenses have regularly exceeded student fee receipts throughout the years, resulting in ongoing deficits. However, the community campus has not relied solely on student fees but has sought other sources of income and collected funds to cover student fees. Despite a continuous rise in student income, expenses increased faster. Therefore, the campus management and administrative body are being burdened to meet regular expenses. This trend emphasizes the necessity for GSMC to seek other revenue streams, reduce operational costs, or manage spending in order to maintain financial sustainability. The lower cost per student highlights increasing cost-efficiency as enrollment grows, but it also raises questions about educational quality. Despite increased recurring costs, GSMC prioritizes excellence in teaching, as shown by greater teacher compensation and major investments in faculty. The findings reveal that maximum utilization of available resources is needed to increase the regular income of the campus. Future steps should be to strengthen financial management techniques, investigating new revenue streams, and implementing cost-cutting measures. Additionally, performing more complete analyses that take consider external effects and precise expense breakdowns may reveal more in-depth insights. Addressing financial management issues and identifying new revenue streams are crucial to establishing long-term financial stability and sustainability. Prioritizing these areas enables the institution to better balance its income and expenses, ensuring long-term educational quality and growth.

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