Title

BUDGET MANAGMENT OF THE MINISTRY

OF DEFENCE FOR NATIONAL SECURITY

By Degree I. C. NIYOM MONTONPALIN

Major Field

MASTER OF BUSINESS ADMINISTRATION

Thesis Advisor

FINANCE & BANKING Vivay S

(Vivat Shotelersuk Ph.D.)

Associate Professor .19.1 Inly.1.1994

Ministry of Defence has recently faced some problems in the budgeting management which, threaten the national security. It is, therefore, interesting to investigate the causes of the problems and their impacts on the effectiveness of the operation and management of the Ministry.

This research was emphasized on the budget management of the Ministry of Defence on national security by analysis the secondary data collected from relevant documents both published and unpublish from the Ministry of Defence and other civilian government offices especially those involve budgeting of the nation as a whole and of the Ministry of Defence in particular with a view to compare the budgeting system between different level of government offices. This was to find out the methods of preparation, allocation, and management of the Ministry of Defence comparision to those of the civilian offices. The research also investigate into the problems and abstacles of budget management of the Ministry of Defence in relation to the national security with a view to suggest budgeting improvement.

It was found out that Defence Ministries all over the world followed different methods of budgeting which was rather more complex than those of civilian authorities.

The results of the hypothesis testing revealed the budget of the Ministry of Defence was a) not independent with inflation rate.

b) independent with unemployment rate c) not independent with percapita income: and d) independent with consumer price index.

It was noted that the misunderstanding between the Ministry Defence and the Budget Bureau in the budgeting management was not a serious problem. It can readily be solved if the importance of national defence was understood to the extent that national defence activities should be flexible and adjustable to the changing world particular in the national security. Therefore the Ministry of Defence should be independent and self-countain in managing its budget to fulfil its duty in defending the nation as well as to observe the financial and fiscal policy of the country and of the Ministry of Finance as well as the Budget Bureau.