



# SNS College of Technology

Coimbatore - 35



**19BAE711 – Working Capital Management**

**Unit I - Introduction to Working Capital**



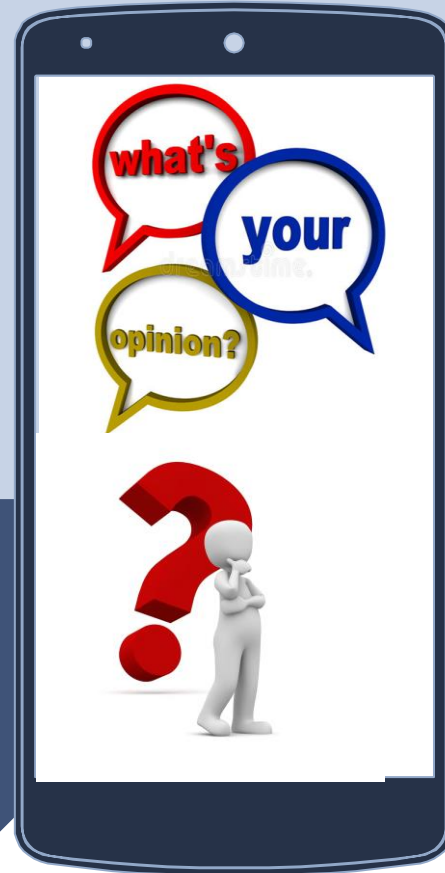
**Presented by**

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*Design Thinker*



# Guess the topic





# What is Capital...?



# Working Capital

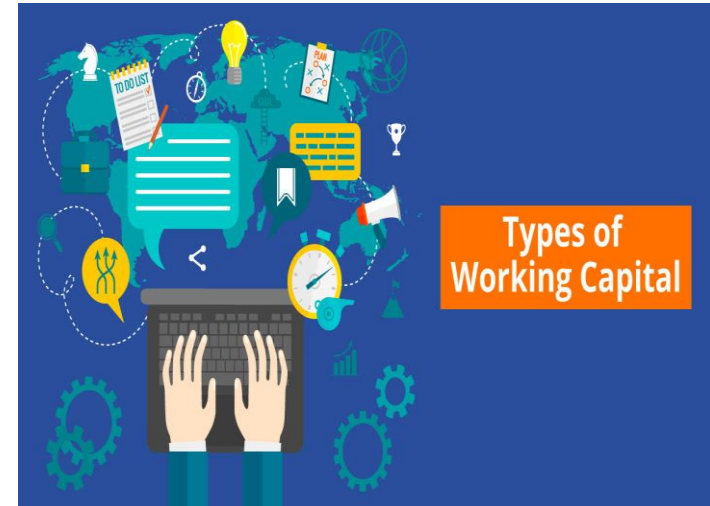
- **Working Capital** is that capital which is not fixed.
- It is the difference between, the book value of the current assets and the current liabilities.





# Types

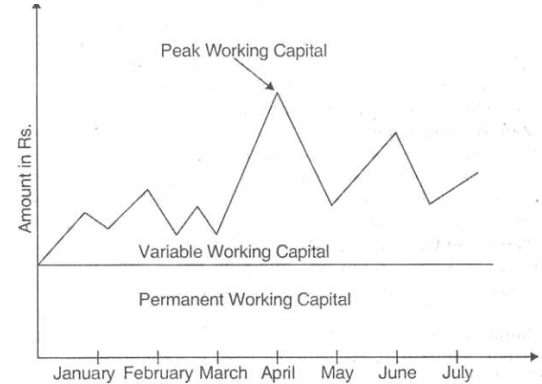
- **Gross WC:** Equal to the total current assets
- **Net WC:** Excess of current assets over current liabilities
- **Positive WC:** Current assets are more than the current liabilities
- **Negative WC:** Current liabilities are more than the current assets
- **Zero WC:** Investment in current assets is exactly equal to the current liabilities





## Types...Cont...

- **Permanent Working Capital/Core Working Capital:** Amount of capital locked up in the business on a continuous basis so long as it continues to exist.
- **Variable Working Capital/Fluctuating Working Capital:** Influenced by seasonal fluctuations
- **Peak WC:** Peak working capital is the highest amount of the working capital required by a business organisation during its course of operations.



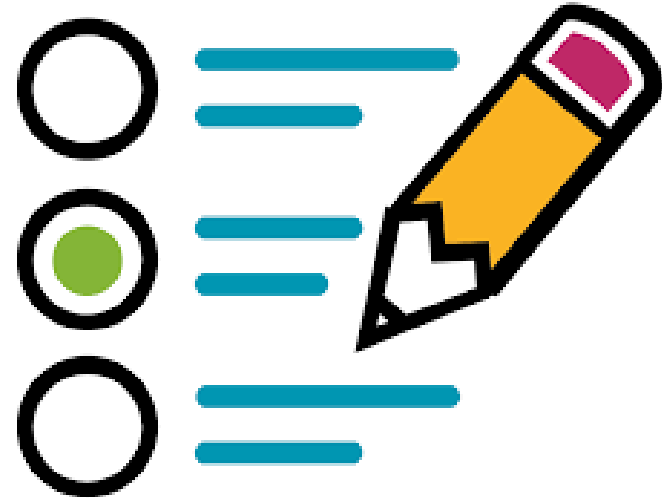


# Assessment

WC is the difference between, the book value of the current assets and the current liabilities.

True / False

**Ans: True**





# Summary

- Working Capital
- Types of WC

SUMMARY







# Reference

- <https://www.indeed.com/career-advice/career-development/what-is-operating-cycle>
- <https://corporatefinanceinstitute.com/resources/accounting/operating-cycle/>
- [https://static.careers360.mobi/media/uploads/froala\\_editor/files/Management-of-Working-Capital -Unit-I -Introduction-to-Working-Capital-Management WDdB8ZC.pdf](https://static.careers360.mobi/media/uploads/froala_editor/files/Management-of-Working-Capital -Unit-I -Introduction-to-Working-Capital-Management WDdB8ZC.pdf)
- [https://siesce.edu.in/docs/resources/Working%20capital%20management\\_59944.pdf](https://siesce.edu.in/docs/resources/Working%20capital%20management_59944.pdf)



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*Thank  
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