



SNS College of Technology

Coimbatore - 35



19BAE711 – Working Capital Management

Unit I - Introduction to Working Capital

Presented by

Dr.V.Prabakaran
Design Thinker





Guest the topic

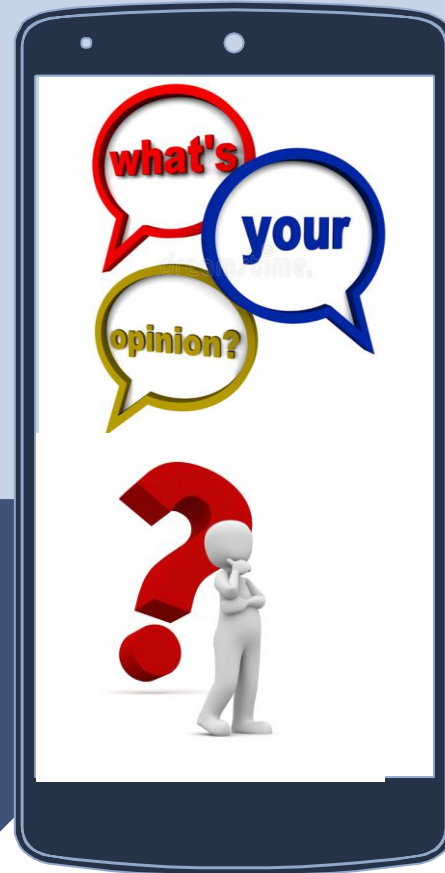




Recall

- Pipeline Inventory
- Importance
- Decoupling Inventory
- Challenges
- Tips for effective management



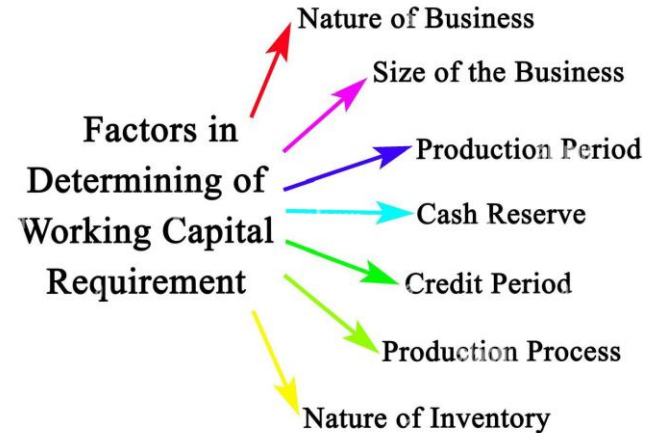


What is working capital...?



Determinants of WC

- Maintaining adequate WC
- Financing of WC
- Sound financial and statistical techniques, supported by judgment should be used to predict the quantum of WC requirement at different times





Determinants

- Nature of Business
- Size of business unit
- Time Consumed for Manufacture
- Need to Stock Pile Raw Materials
- Need to Store Finished Goods





Determinants...Cont...



- Cost and Time Involved in the Manufacturing Process
- Turnover of Circulating Capital
- Terms and Conditions of Purchase and Sale
- Conversions of Current Assets into Cash
- Impact of Cyclical and Seasonal Variation



PURCHASE ORDER



SALES ORDER



Determinants...Cont...

- Production Policies
- Turnover of Inventories
- Dividend Policies
- Inflation
- Technology





Determinants...Cont...



- Taxation Policies
- Expansion
- Degree of Co-ordination



Assessment

WC prediction needs sound statistical technique

True / False

Ans: True





Summary

SUMMARY



- Determinants of WC



Reference

- 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



Reach Us



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS

*Thank
you*