



SNS College of Technology

Coimbatore - 35



19BAE711 – Working Capital Management

Unit IV - Management of Cash & Receivables

Presented by

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Design Thinker





Guest the topic

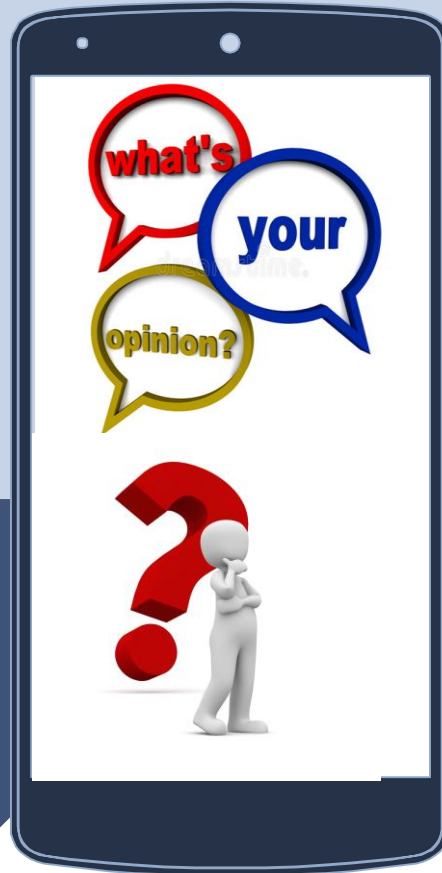




Recall

- Factors Affecting Cash Budget





What is Cash Budget?



Cash Budget

- A cash budget is an estimation of the cash flows of a business over a specific period of time.
- This could be for a weekly, monthly, quarterly, or annual budget.





Components

- Cash receipts
- Cash Payments





Short Term vs Long Term

- Short-term cash budgets will look at items such as utility bills, rent, payroll, payments to suppliers, other operating expenses, and investments.
- Long-term cash budgets focus on quarterly and annual tax payments, capital expenditure projects, and long-term investments.
- Long-term cash budgets usually require more strategic planning and detailed analysis as they require cash to be tied up for a longer period of time.





Benefits

- Is easy to understand
- Prepares you for unexpected expenses
- Makes it easy to manage cash flow
- Helps determine what to borrow
- Predicts future cash needs
- Helps avoid overspending





Summary

- Cash Budget
- Components
- Short term vs Long Term
- Benefits

SUMMARY



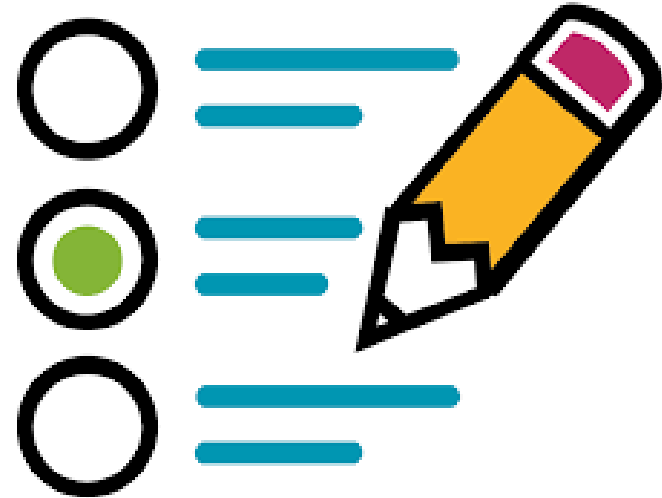


Assessment

Cash budget will support in predicting unexpected future cash needs

True / False

Ans: True





Reference

- [https://www.investopedia.com/terms/c/cashbudget.asp#:~:text=Error%20Code%3A%20100013\)-,What%20Is%20a%20Cash%20Budget%3F,over%20the%20given%20time%20frame.](https://www.investopedia.com/terms/c/cashbudget.asp#:~:text=Error%20Code%3A%20100013)-,What%20Is%20a%20Cash%20Budget%3F,over%20the%20given%20time%20frame.)
- <https://www.indeed.com/career-advice/career-development/cash-budgets>



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