



SNS College of Technology

Coimbatore - 35



19BAE711 – Working Capital Management

Unit IV - Management of Cash & Receivables

Presented by

Dr.V.Prabakaran
Design Thinker





Guest the topic

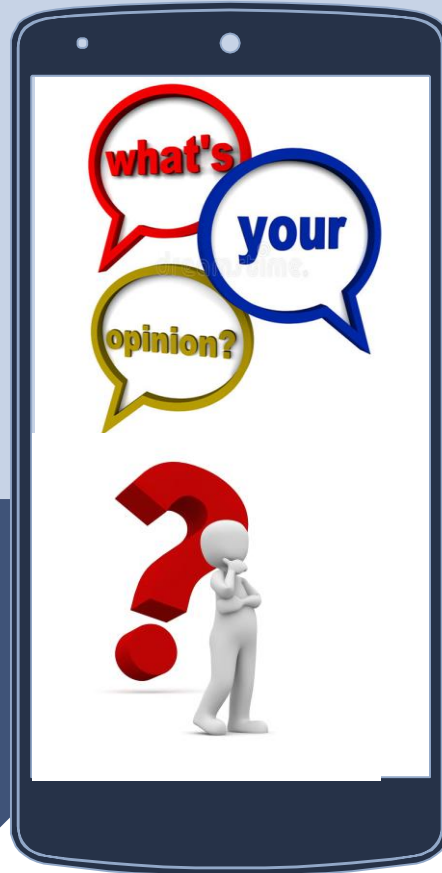




Recall

- Cash Receivables
- Aspects of Receivables Mgmt.
- Importance
- Scope





What is credit?



Credit Policy

- A credit policy is a set of rules and standards that directs how companies can grant credit to customers and the collection method.
- It also describes who in the company is in charge of allotting credit.
- The main objective of this policy is to set certain guidelines that help handle credit risk.





Types of Credit Policy

- Loose credit
- Flexible credit
- Tight credit
- No credit

Pay bills, Recharge or Repay easily with
FlexPay Credit

9999 9999
9999 9999 **FLEXPAY**
A LOAN OFFERING FROM VIVIFI INDIA FINANCE P.LTD.

The illustration shows a hand holding a white bill with the word 'BILL' printed on it. Next to it is a smartphone displaying a payment interface with a prominent red 'PAY' button. The scene is set against a green circular background, with several gold coins scattered around, suggesting a financial transaction.



Components

- Credit application process
- Credit types, limits, and terms
- Collection
- Monitoring and control
- Risk management
- Credit Terms
- Credit Worthiness Of The Customer
- Cash Discounts





Will Cover...

- **Terms of sale** — How much credit you'll extend to customers and the terms
- **Credit extension** — Processes to evaluate credit criteria for each customer
- **Collection process** — Processes for collecting on past-due invoices
-



Factors to be Considered

- The current economic climate
- Your cash and working capital position
- The size of your customers and their financial position
- Your customers' business sectors



Summary

- Credit Policy
- Types
- Components
- Factors to be considered

SUMMARY





Assessment

Customer worthiness is part of credit policy.

True / False

Ans: True





Reference

- <https://www.wallstreetmojo.com/credit-policy/>
- <https://www.versapay.com/resources/what-is-a-credit-policy>



Reach Us



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS



SNSINSTITUTIONS

*Thank
you*