## ASSIGNMENT-10.

refine couch conversion y de.

The coup. conversion eycle (ccc). Is a metric that measures the time it takes for a company to convert its investments in inventory and other resources into each flows from shales. In other words, it reflects how quickly a company, can turn its. products or devices into couch through. Sales.

The formula for the cosh conversion cycle is

ccc = pays inventory outstanding .t.
pays sales outstanging pays payable outstanding.

- De pays inventory outstanding (DIO): The.

  average number of days it takes for a company to turn its inventory into dales
- 2) pay dales outstanding (pso): The .

  average number of days it takes for a

  company to collect payment after , a

  dale.
- 3. <u>bays payable outstanding (0 po)</u>: The average number of days of company taker, to pay its deppliers.

A Shorter ccc indicates that a company

is more effectent at managing its. inventorey, revervoibles and payables, manings et can quickly convert its resources into. cash. A longer ccc may indicate in efficiencies in the operational process, trying up capital longer oriP - winterja with the water with 1. Worker of puringers. the property of the state of th lived that of sul let igns pristing from in property and property to preparty

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