

Assignment-10

Define cash conversion cycle:-

The cash conversion cycle (CCC) measures how long it takes a company to turn its investments in inventory into cash from sales. It's calculated as:-

Formula:-

$$CCC = DIO + DSO - DPO$$

DIO = Days Inventory Outstanding

DSO = Days Sales Outstanding

DPO = Days Payables Outstanding

DIO :-

Days to sell inventory

DSO :-

Days to collect customer payment

DPO :-

Days to pay suppliers.

Belum X