

Assignment - 7

Definition of working capital:-

Working capital is the difference between a company's current assets and its current liabilities. It represents the amount of money available to a business for its day-to-day operations. Working capital is a measure of a company's short-term financial health and its ability to cover its short-term obligations.

Current assets:-

include cash, accounts receivable, inventory and other assets that are expected to be converted into cash within a year.

Current liabilities:-

are obligations that the company needs to pay within a year. Such as accounts payable, short-term loans, and other debts.

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