**FINANCIAL MANAGEMENT**

**ASSIGNMENT – 15**

**Working Capital Management**

1. Prepare an estimate of working capital requirements from the following information of a trading concern:

a) Project annual sales 1,00,000 units

b) Selling Price Rs. 8 per unit

c) % of net profit on sales 25%

d) Average credit period allowed to customers 8 weeks

e) Average credit period allowed by suppliers 4 weeks

f) Average stock holding in terms of sales requirement 12 weeks

g) Allow 10% for contingencies

2. Discuss the implications of working capital management, with reference to firms like Flipkart and Future Retail (or Amazon and Walmart). What do you think is different in the two firms’ working capital scenario? What are the elements that you think the two firms should manage well?

3. “Efficient cash management will aim at maximizing the cash inflows and showing cash outflows”-Discuss.