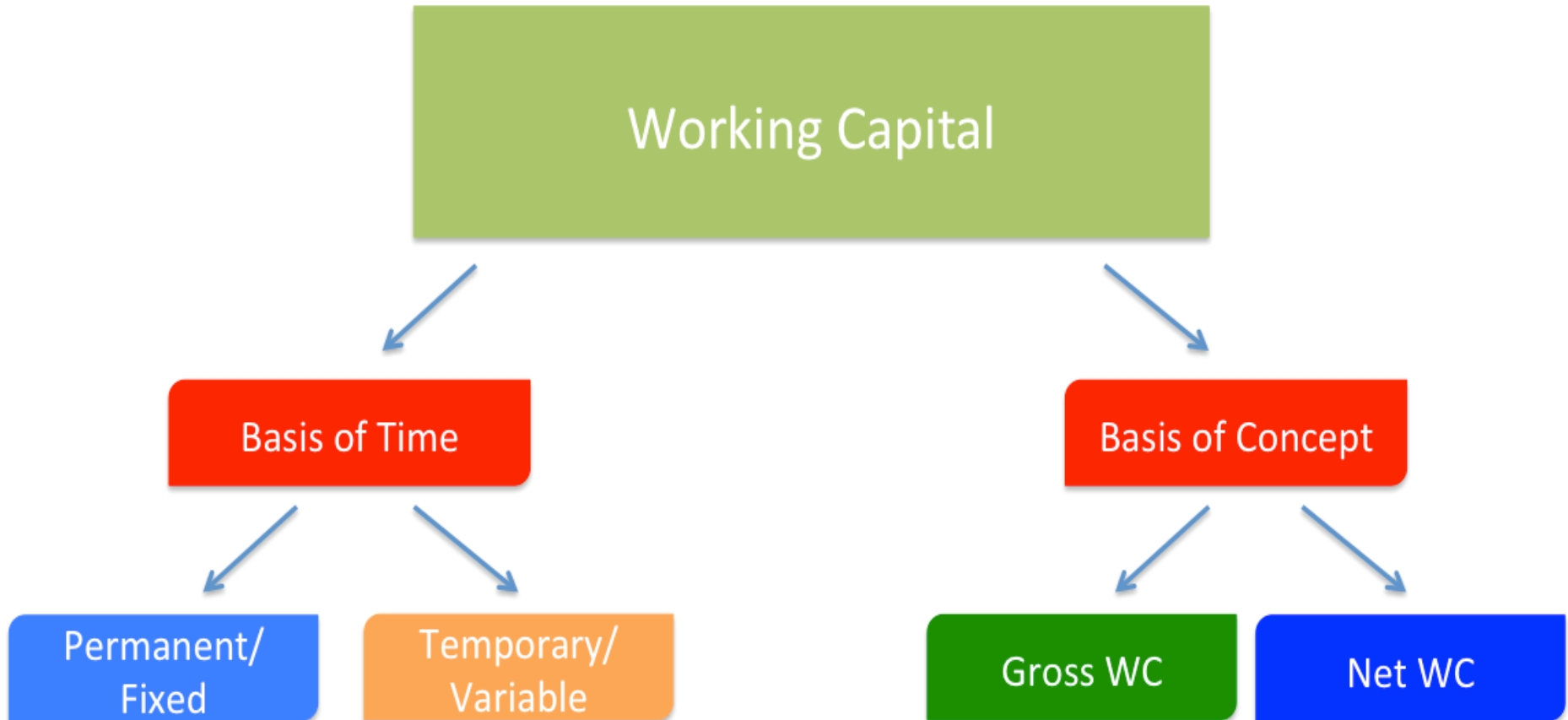


Working Capital Management



Q.1

Particulars	Alt-A	Alt-B	Alt-C
Trade Payables	1,500	1,000	500
Inventory	500	800	1,000
Short-Term Investment	50	200	400
Outstanding Expenses	800	500	300
Trade Receivables	400	800	1,200
Cash & Bank Balance	200	400	600

- Calculate GWC and NWC
- Explain the features of all 3 alternatives of working capital management

Q.2



Particulars	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CA	2,000	2,000	2,000	2,000	2,400	2,800	2,800	2,400	1,600	1,800	2,000	2,000
CL	1,500	1,500	1,500	1,500	1,650	1,800	1,800	1,650	1,350	1,350	1,500	1,500

- Identify the seasonal and Fixed Working Capital
- Explain how the Working Capital funding requirement can be addressed

Working Capital Management

Economic Order
Quantity

ABC
Analysis

Just In
time

INVENTORY MANAGEMENT

Cash
Budgets

Cash
collection

Cash
Collection

CASH MANAGEMENT

Five Working Capital Management Strategies

DEBTOR'S MANAGEMENT

Credit
policy

Credit
collection

Continuous
Monitoring

CREDITOR'S MANAGEMENT

Trade
credits

Managing debts and
early payments

SHORT-TERM DEBT MANAGEMENT

Right financing
instruments

Appropriate fund
allocation



<http://accountingdrive.com>

ET Review: August 1, 2022 by Tejashree Mokashi



1. IOC records quarterly loss, sold petrol at Rs 10 and diesel at Rs 14.
2. Zee-Sony merger, receives approval from stock exchanges.
3. Ola and Uber in merger talks, Bhavish Aggarwal meets Uber executives in San-Francisco.
4. Maruti Suzuki ups the SUV game with the launch of Grand Vitara.
5. India wants to open up for lithium mining in batteries quest.