

Roll No:- 11710479
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Working Capital:

✓ Gross Concept

- According to Gross Concept, the working capital denotes the total of current assets. So, as per this concept:-

- Gross Working Capital = Total of Current Assets

✓ Net Concept.

- According to Net Concept, net working capital is the excess of current assets over current liabilities.

As per this concept:-

- Net Working Capital = Current Assets - Current Liabilities.

Types of Working Capital:

- Permanent or Fixed Working Capital
- Temporary or Variable Working Capital.

Formula for Working Capital:

To calculate the Working Capital Compare a Company's Current assets to its current Liabilities. Current assets listed on a Company's balance sheet include Cash, accounts receivable, inventory and other assets that are expected to be liquidated or turned into cash in less than one year.

Working capital that is in line with or higher than the industry average for a company of comparable size is generally considered acceptable.

Factors affecting Working Capital:-

- ① Nature of Business:- The requirement of working Capital depends on the nature of business. The nature of business is usually of two types:-
 - ① Manufacturing Business
 - ② Trading Business.
- ② Scale of operations:- There is a direct link between the working Capital and the Scale of operations. In other words, more working Capital is required in case of big organisation while less working Capital is needed in case of small organisation.
- ③ Business cycle:- The need for the working Capital is affected by various stages of the business cycle. During the boom period the demand of a product, the demand of a product increases and sales also increases.

④ Seasonal Factors:-

Some goods are demanded through the year while others have seasonal demand. Goods which have uniform demand the whole year their production and sale are continuous.

Such enterprises have to maintain large stocks of raw material and finished products and so they need large amount of working capital for its purpose.

⑤ Product Cycle:-

Production cycle means the time involved in converting raw material into finished product. The longer this

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Amount

period, the more will be the time for which the capital remains blocked in raw material and semi manufactured products.

6. Credit Allowed:-

Those enterprises which sell goods on cash payment basis need little working capital but those who provide credit facilities to the customers need more working Capital.

7. Credit Availed:-

In raw material and other inputs are easily available on credit less Working Capital is needed. On the contrary, if these things are not available on credit then to make cash payment.

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8. Operating Efficiency:-

Operating Efficiency means efficiently completing the various business operations.

Operating efficiency of every organization happens to be different.

9. Availability of Raw Material:-

Availability of raw material also influenced the amount of working capital. If the enterprise makes use of such raw material which is available easily throughout the year.

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Afford.

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Marketing Mix— Marketing Mix is a general phrase used to describe the different kinds of choices organisations have to make in the whole process of bringing a product or service to market. The 4Ps is one way — probably the best known way — of defining the marketing mix, and was first expressed in 1960 by E.J. McCarthy in his book, "Basic Marketing - A Managerial Approach".

The 4Ps are:

- Product (or Services)
- Place
- Price
- Promotion.

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A Marketing mix is the set of marketing tools that a business uses to sell products or services to its target customers.

The 7Ps Model of Marketing Mix

① Product: A product is the heart of the marketing mix. All marketing activities begin with the product. The product is not a physical entity alone, it comprises the completely tangible and intangible aspects like service, personality, organization and ideas.

Without a product we have nothing to price, promote or place. Hence of all 4Ps the product is the most element. P.

- Design.
- Features
- Brand name
- Product Variety
- Quality
- Service
- Packaging.

2. Price.

Price is the monetary value that has to be paid by customer to acquire or own the product of a company. Price is a very important component of the marketing mix definition and it is the critical revenue generating component.

These are three major pricing strategies.

- Market penetration pricing.
- Market Skimming pricing
- Neutred pricing.

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The Pricing mix decision need to consider the below marketing Variables:-

- Allowances
- Discounts, rebates.
- Payment period.
- Credit policy.

Q. Promotion.

It aims to serve two object
One it informs the potential customer about your product
and Secondly it persuade them to buy your product

- Advertising.
- Personal selling
- Public relations
- Direct marketing.
- Publicity
- Sales promotion.

4. Place (or Distribution).

Place or physical distribution deals with the transfer of ownership of the product from the manufacturer to the customer.

- Channels of distribution.
- Warehousing decision.
- Product handling
- Transport
- Inventory Control.
- Order processing
- Coverage.

5. Physical Evidence

Anything tangible to a product or the physical environment in which a service takes place

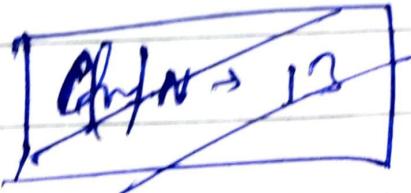
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6. People.

Employees, including those who interact directly with customers as well as staff recruitment and training.

7. Process.

Anything within the organisation that has an impact on how a product or service is handled by employees and delivered to customers.



Ans: 13

④ Workforce diversity Management

Workforce diversity management can be defined as follows.

Managing workforce diversity implies creating an organisational climate in which a heterogeneous workplace perform to its best potential without the organisational favouring any particular segment of a workforce with a view to facilitate the attainment of organisation goals.

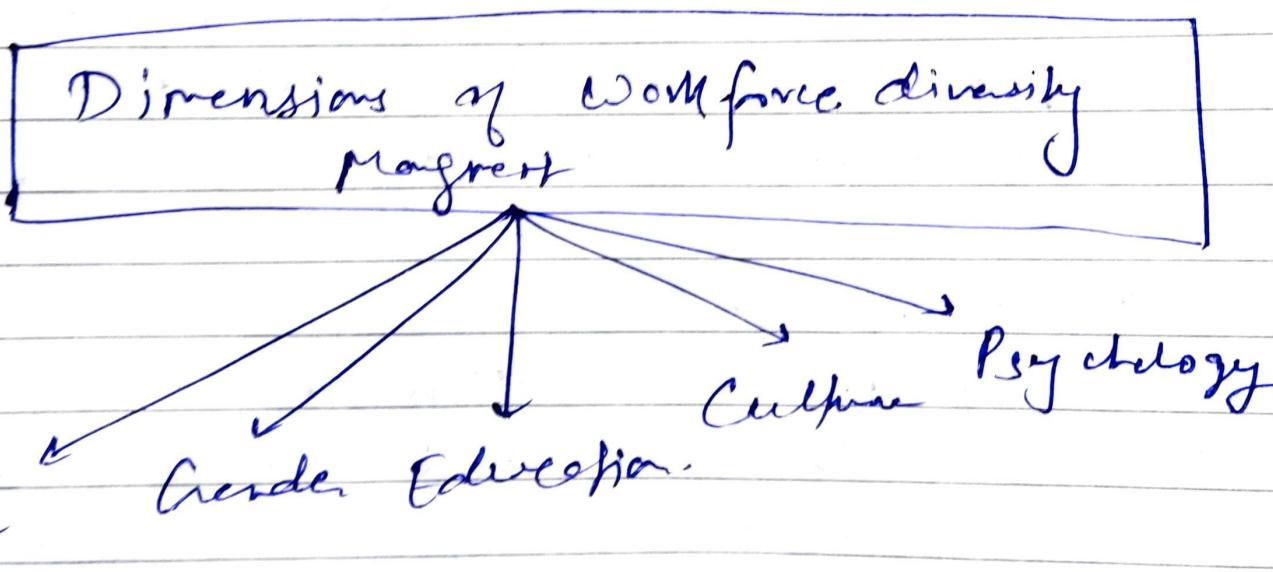
→ Features:

- * Requires creation of an organisational climate, social rounds and being diverse in many respects can co-exist and work with full cooperation of one another.

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- * Aims to make people work to best of their potential
- * Rules out any discrimination among people.
- * Expected to work towards the best attainment of organisation goals.



→ Significance of workforce diversity management

- * Ability to deal with diverse market
- Culturally diverse workforces

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Ans

Can better appreciate the needs, feelings of culturally diverse consumers.

* Better decision making:-

People from diverse backgrounds may aid managers in better decision making ; by offering suggestions from a wide range of perspectives and orientations.

* Better human relations- It aims at developing and nurturing a common organisational culture and climate

* Preventing unnecessary labour turnover : When there is good workforce diversity management women and other disadvantaged people are preventing from leaving the organisation.

Technique of workforce diversity management

- ① Creating awareness of diversity
- ② Creating conditions for common organization culture
- ③ Programmes of special care for diversity workforce
- ④ Career development programmes
- ⑤ Avoid discrimination
- ⑥ Prevention of sexual harassment

Ans - 13-b

E-marketing

E-marketing is a process of planning and executing the conception, distribution, promotion and pricing of products and service in a

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Answer

Computerized, networking environment such as the Internet.

Features of E-marketing.

- * E-marketing is cheaper than traditional marketing.
- * It provides a longer ROI i.e. returns on investment.
- * It works 24 hours, 7 days and 365 days of the year.
- * ~~Edition~~

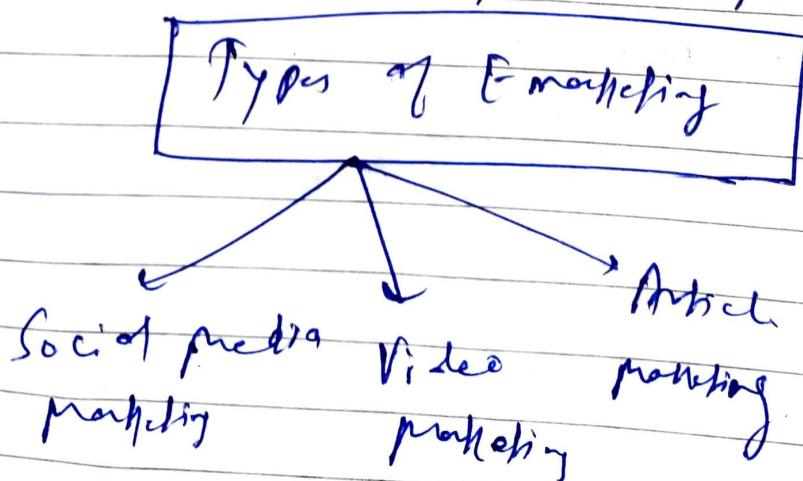
Advantage of E-marketing-

- Instant Response:- The response rate of E-marketing is instantaneous.
- Cost efficient:- It is much cheaper and gives better response when compared to other media.

- Circular Data Collection:- It provides a better data collection facility.
- Interactive :- People can learn their concern and you will get feedback.

Disadvantages:

- Technology dependents:- depends upon technology to large extent and becomes less accessible to old age people and remote areas.
- Privacy and Security issues:- Since data is accessible to everyone there is some privacy issue.
- Maintenance Cost:- Maintenance Cost associated with it is very high.



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Market segment is a process of dividing a heterogeneous market into relatively more homogeneous segments based on certain parameters like geographic, demographic.

According to Philip Kotler, "Market segmentation is the sub-dividing of a market into homogeneous subsets of customers where any subset may conceivably be selected as a market target to be reached with a distinct

Bases of Market Segmentation

Gender :- Gender is one of the simplest yet important bases of market segmentations. The interest needs and wants of males and females.

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differs at many levels. Thus marketers focus on different marketing and communication strategies for both.

Age Group:- Segmentation market according to the age group of the audience is a great strategy for personalized marketing. Most of the products in the market are not universal to be used by all the age groups.

Income:- Income decides the purchasing power of the target audience. It is also one of the key factors to decide.

- High Income Group.
- Mid Income Group.
- Low Income Group.

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Ans

Place:- The place where the target audience lives affect the buying the most.

Occupation:- Occupation, just like income, influence the purchase decision of the audience.

Usage:- Product usage also acts as a segmentating basis.

Lifestyle:- Marketers also segment the market based on life style.

Benefits of Market Segmentation:-

- ① Improve Campaign Performance
The more specific the audience of people interested in your brand, the more beneficial targeting can be.

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2. Informs Product Development-

Market segmentation can also help companies to develop products that better meet the needs of their customers.

② Reveals Area to Expand-

Market segmentation can also help business to identify audience segments that they are not currently reaching with their marketing efforts and then expand into new markets.

③ Improves Business Focus-

Market segment can also help business to their efforts.



NATIONAL INSTITUTE OF TECHNOLOGY KURUKSHETRA

(Institution of National Importance)

KURUKSHETRA - 136 110 HARYANA (INDIA)

Phone: 01744-233227,228, F AX: 01744-238050



Name :ATMANAND

Roll No.:11710479

Father's Name :SH.BIJAY KUMAR SINGH

Branch :ELECTRONICS & COMM. I-EGG

Program :B.Tech



11710479

Sign. of Student

Dep. of Stat. (Academic)
Date: 20/11/2011