

UNIVERSITY OF MADRAS
B.Com. DEGREE COURSE IN ACCOUNTING & FINANCE
SYLLABUS WITH EFFECT FROM 2020-2021

BAF-DSC11

CORE-XI: WORKING CAPITAL MANAGEMENT

Inst.Hrs : 5
Credits : 4

YEAR: II
SEMESTER: IV

Objectives

- To enable the Students to learn the Working Capital mechanism.
- To facilitate the understanding of the relevance of the working capital

UNIT I: Introduction

Working Capital Meaning - Importance of working capital management - components of working capital - Factors Influencing working capital requirements - Estimating working capital management - working capital life cycle - Role of finance manager in working capital.

UNIT II: Financing Current Assets

Different approaches to Financing Current Assets - Conservative, Aggressive and Matching approach - Sources of Finance Committees on Working Capital Finance. .

UNIT III: Cash Management

Importance - Factors influencing Cash Balance - Determining Optimum Cash Balance - Cash Budgeting - Controlling and Monitoring Collection and disbursements.

UNIT IV: Receivables Management

Credit Policy Variables - Credit Standards - Credit period - Cash discount and Collection efforts - Credit evaluation - Control of receivables.

UNIT V: Inventory Management

Need for Inventories and Importance of its Management -Techniques for managing Inventory - Economic Order Quantity (EOQ) - Stock levels - Analysis of Investment in inventory - Selective Inventory Control - ABC, VED and FSN Analysis.

NOTE : Questions in Sec. A, B & C shall be in the proportion of 80:20 between Theory and Problems.

SUGGESTED READINGS

1. Hrishikes Battacharya Working Capital Management strategies and Techniques prentice hall of India 2001.
2. Joshi R.N. Cash Management, New Age International Publishers 1999.
3. Chitnis, K.M. Working Capital Management of large Industrial units, Dastane Ramachandra and company Poona

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