

GUJARAT UNIVERSITY
K.S.SCHOOL OF BUSINESS MANAGEMENT
[Five Years (Full Time) M.B.A. Integrated Degree Course]
Fifth Year M.B.A. (SEM-X)

KS_M_F_51

Working Capital Management (Finance Elective)

3 credit course

Objective – Working capital management is one of the important functions of financial management. It basically deals with management of day to day requirement of business e.g. management of inventories, management of receivables and management of cash. It also deals with financing of short term requirement of funds. The objective of this course is to make the students understand all aspects of working capital in detail focusing on specific requirements of manufacturing industries and service organizations. Getting expertise in this area will help students move ahead in more complicated financial decision confidently.

Module – I **[20%]**

- Overview of working capital
- Estimation of working capital – various approaches
- Working capital assessment for service business

Module - II **[20%]**

- Liquidity and cash management – Overview
- Motives for holding cash
- Determination of optimum cash balance – various models
- Cash forecasting and cash collection systems

Module – III **[20%]**

- Management of Accounts Receivable – Overview
- Motives for extending Trade credit
- Determination of various credit variables
- Credit monitoring and control

Module – IV **[20%]**

- Inventory management – Overview
- Motives of holding inventory
- Inventory costs
- Techniques of inventory management

Module – V **[20%]**

- Management of Accounts Payables
- Financing of working capital gap – various sources of financing

- Bank finance and lending policies of commercial banks
- Factoring

No of lectures in semester: Approximately 40 to 45 hours

Assignments: Minimum 3 Assignments

Evaluation Pattern:

Continuous Evaluation	30%
Mid-Sem. Exam	20%
End-Sem. Exams	50%

Reference Books:

- Working Capital Management: Strategies and Techniques by Hrishikes Bhattacharya (PHI)
- Working Capital Management and Control: Principles and Applications by Satish Mathur (New Age International)
- Working Capital Management by R. P. Rustagi (Taxmann)
- Financial Management: Theory and Practice by Prasanna Chandra (TMH)
- Financial Management by I. M. Pandey (S. Chand)