

A STUDY ON THE WORKING CAPITAL MANAGEMENT OF TVS CREDIT SERVICES LIMITED

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Abstract: Funds are required to manage business. Any business needs capital. There will always be a time gap between the amount invested and the time it takes to reap back the amount invested.

Working capital is hence an important concept which every organization would concentrate on. Also working capital is something which is required to carry on day to day activities. This topic would therefore give me a great opportunity to know the daily activities of the company. Hence this is the main reason for choosing this topic.

1. Introduction

The Long terms funds are mandatory to create production facilities over purchase of fixed assets such as plant & machinery, land, building, furniture[1-9], etc. Investments in these assets signify that the part of firm's capital which is used for permanent or fixed basis is called fixed capital[10-16]

2. Research Methodology

The study needs a complete understanding of the concept – "Working Capital Management". Firstly, there should be clear idea of, what is working capital? how it is managed in Service Industries? what are the different ways in which the financing of working capital is done in this organization? Etc[17-19].

Findings:

1. Working capital of the company was showing good liquidity position each year till 2014.

2. The positive working capital indicates that company has the ability of payments of short term liabilities

Suggestions:

Following are some suggestions which can be used by the firm for its betterment. These suggestions are given after study and analysis was made on working capital. The suggestions are as follows:

1. The organization should raise funds through short term sources for short term requirement of funds, which

is comparatively economical as compared to long term funds.

2. The organization must take control on the debtor's collection period Company should take control on debtor's collection period which is a main part of current assets that acts as a major source of short term finance.

3. The Company has to govern the cash balance as cash is non- earning assets and it will increase the cost of funds[20-21].

3. Conclusion

The Working Capital is a lifeline of every industry, irrespective of whether it's a manufacturing industry or a service industry. Working Capital is the major and most significant necessity for carrying out the day to day processes of the business.

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